



PUBLIC EMPLOYEE RETIREMENT ADMINISTRATION COMMISSION

ANNUAL REPORT 2004

WORKING TOGETHER TO ENSURE STRONG
PUBLIC PENSION SYSTEMS FOR MASSACHUSETTS

MISSION STATEMENT

THE PUBLIC EMPLOYEE RETIREMENT ADMINISTRATION COMMISSION (PERAC) WAS CREATED FOR AND IS DEDICATED TO THE OVERSIGHT, GUIDANCE, MONITORING AND REGULATION OF THE MASSACHUSETTS PUBLIC PENSION SYSTEMS. THE PROFESSIONAL, PRUDENT AND EFFICIENT ADMINISTRATION OF THESE SYSTEMS IS THE PUBLIC TRUST OF PERAC AND EACH OF THE 106 PUBLIC PENSION SYSTEMS FOR THE MUTUAL BENEFIT OF THE PUBLIC EMPLOYEES, PUBLIC EMPLOYERS AND CITIZENS OF MASSACHUSETTS. THE STEWARDSHIP OF THE TRUST FUNDS FOR THE SOLE PURPOSE OF PROVIDING THE BENEFITS GUARANTEED TO THE PUBLIC EMPLOYEES QUALIFYING UNDER THE PLANS IS THE FULFILLMENT OF THE OBLIGATION OF THE PEOPLE OF THE COMMONWEALTH TO THOSE WHO HAVE DEDICATED THEIR PROFESSIONAL CAREERS TO THE SERVICE OF THE PEOPLE OF THE COMMONWEALTH.

PUBLIC EMPLOYEE RETIREMENT ADMINISTRATION COMMISSION

ANNUAL REPORT 2004

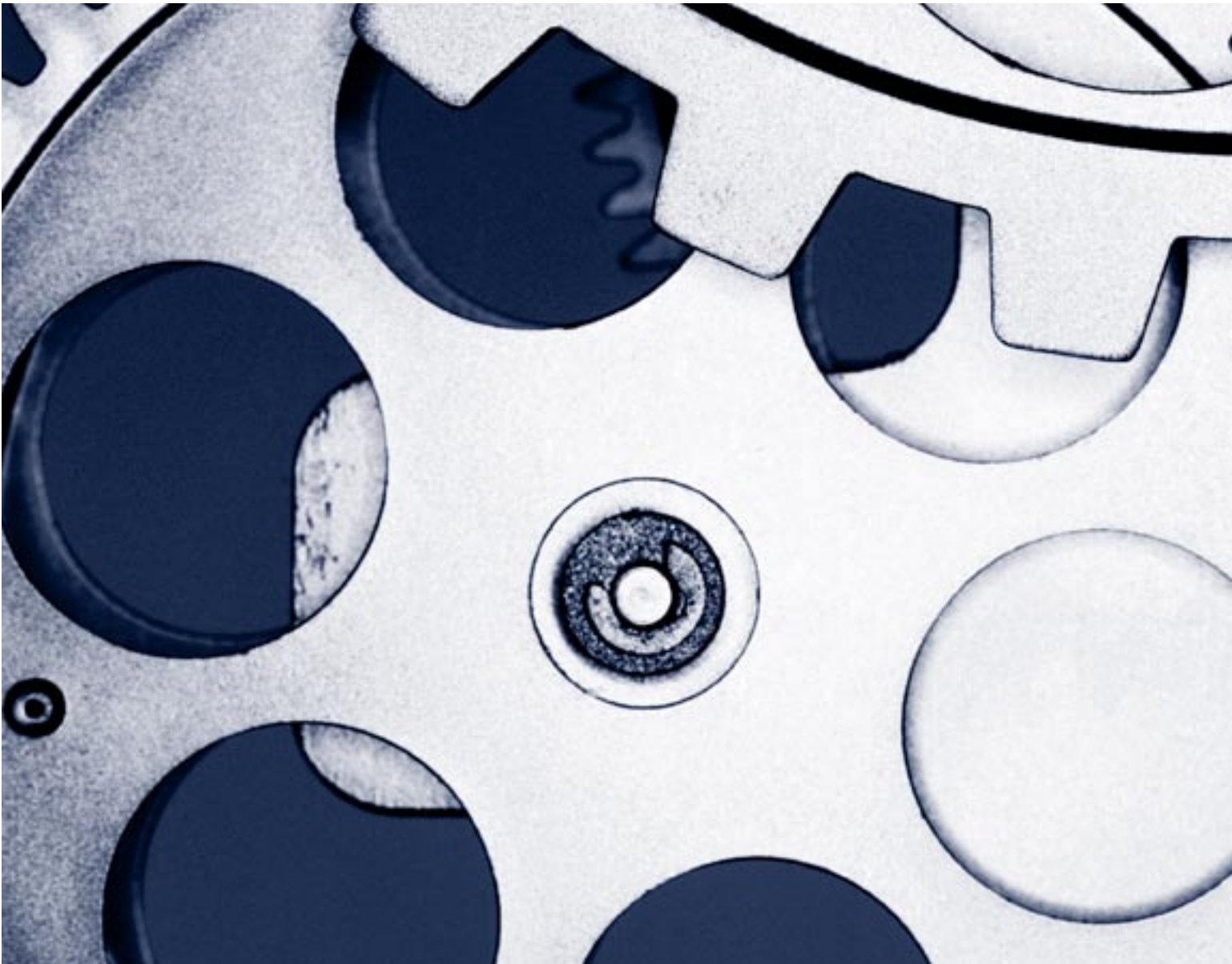


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COMMISSION MEMBERS

(From left to right)

First Row

- The Honorable Domenic J. F. Russo
Chairman
- The Honorable A. Joseph DeNucci
Auditor of the Commonwealth
Vice Chairman

Second Row

- Henry G. Brauer
Investment Professional
- Kenneth J. Donnelly
Lieutenant
Lexington Fire Department
- Eric Kriss
Secretary
Executive Office of Administration
and Finance
- James M. Machado
Sergeant
Fall River Police Department
- Donald R. Marquis
Former Town Manager
Arlington

LETTER FROM THE CHAIRMAN

The Public Employee Retirement Administration Commission is pleased to release this *2004 Annual Report* detailing the Commission's activities and the experience of the Massachusetts public pension plans during that year. The *Report* reviews the status of our public pension systems and confirms for public employees, retirees, and the taxpayers of the Commonwealth that, through the efforts of board members and administrators as well as this Commission, retirement systems are generally well managed.

As recounted in the *Report*, investment performance in 2004 maintained the momentum from 2003. Although returns were not as lofty as the previous year, many systems achieved double-digit gains and nearly all comfortably exceeded actuarial assumptions. This has led to more solid financial footing for the retirement systems and, consequently, solidified the ability of government to make good on its promise to employees set forth in Chapter 32.

The Commission is also pleased to note that several of its legislative priorities were enacted into law last year. These included increased benefits for dependent survivors in certain circumstances, enhanced enforcement powers related to excess earnings under Chapter 32, Section 91A, and improvements in communication between the boards and law enforcement in connection with offenses that may give rise to forfeiture proceedings under

Section 15 of Chapter 32. We hope to address several other matters of concern in this year's legislative session.

In 2004, the Commission hosted its first annual Emerging Issues Forum. That event was devoted to corporate governance issues, as nearly 150 attendees heard a number of distinguished speakers review developments, outline cases, and suggest actions in this increasingly important area. We were most pleased that Auditor A. Joseph DeNucci and Treasurer Timothy Cahill were able to make presentations. The next Forum, slated for June 28, 2005, will review important health care matters and the imminent accounting and funding requirements for post-employment benefits embodied in GASB 45.


The last year has seen a further change in the Commission's composition. Chris Alberti is no longer serving, as he is now focusing his full attention on private sector pursuits. Henry Brauer has been named by Governor Romney to serve on the Commission. His experience as a partner at TA Associates Realty and as a portfolio manager will be a resource for the Commission and the retirement community. Commissioner Brauer, in his short tenure, has already shown himself to be an articulate and committed member.

The last several years have been challenging for the retirement boards. The vagaries of capital markets and deteriorating fiscal

circumstances have brought to a halt past gains towards achieving financial progress in addressing the unfunded liability of the systems. However, board members have remained ever mindful of their duty of loyalty to those who rely on the retirement system for their financial security. At the national and local level there has been serious discussion about the viability of Social Security and other sources of ensuring that those who have served so admirably receive the benefits that are their just due. It is our duty as Commissioners to do our part in maintaining and improving the system that is relied on by those who have dedicated their lives to public service.

The Commission and staff look forward to continued joint efforts with retirement board members and administrators to achieve that goal.

Sincerely,



Domenic J.F. Russo
Chairman

LETTER FROM THE EXECUTIVE DIRECTOR



Last year, as we prepared to publish our *Annual Report*, the Honorable Domenic J.F. Russo had recently assumed the Chairmanship of PERAC. Under his leadership, the Commission has achieved the accomplishments outlined in this *Report*. On behalf of the staff and the Massachusetts pension community, I would like to extend our thanks for his efforts. We all look forward to continuing our work with him.

Other changes have taken place at the Commission in the last year. These include the appointment of Henry Brauer by Governor Romney to the investment position. Commissioner Brauer replaces Chris Alberti who, after several years of service, found it necessary to devote all his energies to private pursuits. Commissioner Brauer spent 14 years with TA Associates Realty, the last 12 as a partner. During his tenure at TA Associates, he served as the portfolio manager for the firm's two largest separate accounts: Los Angeles County Employees Retirement Association and PRIM. In the short time that Commissioner Brauer has served on the Commission, he has already brought his extensive expertise to bear and we look forward to his contributions in the years ahead.

Today's Environment

In many ways the pension community seems to be constantly reacting to events. We all have been suddenly thrust into a controversy, often generated by me-

dia coverage, that focuses on aspects of the retirement law or the retirement system. Frequently, those controversies arise because of perfectly legitimate and long-standing practices that, in a certain light, are portrayed as overly beneficial to employees, inconsistent with some private sector standard, or centered on a non-retirement purpose. Nonetheless, whether it's the termination benefit under Section 10 of Chapter 32, the structure of the benefits available to dual members, or other aspects of the pension law, cries for reform and accusations of lax management become part of the controversy.

Most recently, national controversies have begun to impact the policy discourse regarding public sector retirement. The principles of defined contribution plans have become an integral part of the federal discussion of Social Security. The governor of our most populous state, California, proposed a dramatic change in the benefits available to public employees by shifting from a defined benefit structure to a defined contribution structure. It is not the purpose of this introduction to debate the merits of the various proposals or the validity of the assumptions on which such proposals are based. The important lesson to draw is that, as I indicated last year, our pension plan will be the center of attention due to these and other trends.

In addition to these general concerns, public pension funds in a number of

jurisdictions have found themselves in the middle of significant controversies associated with fiscal distress, moderating investment returns, and unfortunately, in some instances, corruption.

The City of San Diego Pension Reform Committee concluded that the city faces a major unfunded liability problem due to investment performance, under-funding by the city, use of plan earnings for unrelated benefits, net actuarial losses, and benefit improvements.

Investment performance was determined to be the least significant factor; nonetheless, the Committee concluded that the market bubble of the late 1990's overshadowed other problems. Because of the positive rates of returns during those years, the City increased benefits and reduced its appropriation to the pension fund. Interestingly, when the market finally adjusted downwards, the focus on investment impact also tended to obscure poor decisions, particularly the reduction in appropriation levels.

San Diego, not unlike many Massachusetts municipalities, finances its pension system on an actuarial funding schedule basis that does not result in a payment that is sufficient to prevent the plan's unfunded liability from growing. Appropriating less than required under the schedule exacerbated this trend.

These two aspects of the San Diego crisis are reflected in Massachusetts—several years of excellent investment returns lead to a change in attitudes about the fiscal stability of the retirement systems and the failure to appropriate a sufficient amount for pension purposes.

Non-investment related actuarial losses were also a major contributor to the San Diego crisis. Deviations from the assumptions included low employee turnover, salary increases, retirement rate, and service purchases. This underscores the importance of establishing and maintaining a realistic set of assumptions to avoid these losses and the accompanying increase in appropriations.

The San Diego Committee made recommendations ranging from the need to immediately increase contributions to the fund to more aggressive amortization of gains and actuarial losses. Included were a series of benefit reductions for new hires and governance reforms, such as changes in the retirement boards' composition and a revision in the way that disabilities are awarded.

In Houston, voters decided in a referendum to exempt the city pension plan from the provision in the Texas Constitution that required pension promises to be kept by the employer. The action took place after revelations that changes in the plan, particularly the adoption of a DROP Plan (Delayed Retirement Option Plan), had jeopardized the fiscal condition of the system. Retroactive applicability of some aspects of benefit increases also played a role in the fiscal crisis and, perhaps more importantly, in the public attitude towards the pension system. Similar financial concerns have arisen in Philadelphia, Milwaukee, and other jurisdictions. In Milwaukee, seven county supervisors were removed from office in a recall election as a result.

San Diego and Houston are jurisdictions that have confronted a serious problem, primarily due to the failure of the employer to meet its financial obligations while enhancing benefits. Other pension systems are confronting different problems.

In Ohio, legislation recently became law that dramatically altered the operations of

the state pension funds. The reform was an outgrowth of scandals that engulfed several retirement fund trustees. A member of the Ohio Police and Fire Pension Board was indicted for accepting travel and other gratuities that improperly influenced his work at the Board. The indictment accuses the member of receiving "dinners, golf, alcoholic beverages, tickets to sporting events, hotel costs and incidentals, boat rental/fishing trips, holiday parties, transportation, and gifts that total thousands of dollars."

The climate created by the missteps of the few can alter the legal and regulatory environment that applies to all board members. This is no less true in Massachusetts than it is in Ohio.

The Ohio Legislation, passed in the wake of that scandal, requires board members and select employees to file annual ethics disclosure statements, requires that vendors who attempt to influence fund investment decisions comply with the state lobbying laws, changes board composition, and requires each board to conduct regular financial and performance audits.

Similar controversies have taken place in Milwaukee, where eight Milwaukee County Pension Board members paid civil penalties related to receiving "perks" from money management firms.

All of these developments call unwanted attention to the issues of pensions and pension fund management. Public policy makers facing difficult budget times will be scrutinizing the fiscal implications of pension costs and also will focus on pension fund management. Such controversies, arising in the middle of a national debate about alternative approaches to existing pension plans, could lead to the end of the system that we have known for many years.

Increased scrutiny by regulators and the public has also taken place with regard to the role of consultants and other parties in the decision making process of pension funds. The US Securities and Exchange Commission (SEC) is in the process of reviewing several aspects of the marketplace including conflict of interest, marketing practices, and disclosure.

Some of the concerns were raised in a *New York Times* article last year. The lead of that article stated, "A small but growing part of the \$2 trillion in state and local pension funds is being steered into high-risk investments by pension consultants and others who often have business dealings with the very money managers they recommend. After making such investments, a few of these pension funds have come up short, forcing governments to draw on tax dollars."

The paper noted that there is a "web of intermediaries—marketing agents, lobbyists, brokers and world leaders between pension funds and the investments they choose." Instances where funds lost substantial amounts include the Arkansas teachers' pension fund that, through a consultant, became involved with Andrew Fastow, chief financial officer of Enron. Arkansas committed \$30 million to an investment in one of Enron's off balance sheet entities and may have lost it all. Louisiana, a client of the same consultant, due to losses resulting from an allocation of 42% of assets to "alternative investments", incurred an increase of \$147 million (more than 20%) in its appropriation to the fund.

In 2002, Hawaii discovered that its consultant had recommended 16 money managers—14 of whom were paying the consultant for services.

PERAC disclosure forms now require that consultants and money managers reveal any such arrangements. Boards must review these disclosures carefully in assessing the merits of a prospective manager or consultant. The process by which a manager has been recommended and selected must be competitive and objective. Failure to closely monitor this area will, especially in light of the attention now being paid to these issues, inevitably result in controversy and provide ammunition to those who do not possess the same commitment that you and I do to the existing pension system in Massachusetts.

Reform

The Commission, from the outset, has believed that assisting the pension community in becoming proactive, and working with you to provide accurate information about the law and the retirement system

to policy makers, are key aspects of its role. As outlined, the need for such an approach has never been more critical.

PERAC sees several areas of concern that will inevitably raise the level of scrutiny on pension practices. Recent discussion at the Commission has been conducted regarding narrowing the areas of focus and initiating a conversation with retirement boards about how best to address these concerns, before the public controversy arises and the pension community is once again reacting to events outside our control. A select Reform Initiatives Advisory Committee, chaired by former Attorney General Scott Harshbarger, is reviewing several general issues. The Committee has sought the views of the Public Pension Advisory Group, a group comprised of board members and administrators that meets regularly with PERAC to discuss various aspects of the legal and regulatory framework.

The Harshbarger Committee has focused on the following:

First—In light of the fact that the investment regulatory environment in which boards operate has remained essentially the same for the last 20 years, changes should be considered that grant boards greater flexibility while insuring that assets are protected.

The Committee believes that the “waiver/exemption” process should be reviewed with an eye towards making it less onerous. This will enable the Commission to increase emphasis on competitive process and fiduciary compliance. Such a reform may require more extensive statutory or regulatory guidance to the boards relative to the competitive process for use in selecting vendors. This could take the form of something analogous to Chapter 30B that is required for government procurement at the local level.

The expansion of existing disclosure requirements relating to payments associated with obtaining business from a retirement board and enhanced penalties for failure to disclose should also be reviewed. The annual filing of disclosure forms, and the delineation of all payments from or to any source relative to services provided to

a retirement board, could be components of such a change.

PERAC would retain the ability to prohibit a particular investment if such an investment is not in the best interest of the system.

Second—In the event a retirement system is in fiscal or administrative jeopardy that necessitates quick (perhaps temporary) action to protect assets or to ensure the members’ rights are secure, PERAC should be able to act.

We can all envision circumstances in which a municipality has failed to make contributions, or rogue investment managers have adopted a strategy that threatens the stability or even the viability of the system. In addition, the prospect that the benefits available under Chapter 32 will be administratively infringed upon is not as unlikely a possibility in light of the examples of San Diego and Houston.

Consequently, in conjunction with the expansion of board authority and the reduction of regulation in the investment area, mechanisms to allow for speedy remedial action, as well as to deter any threat to system assets, must be contemplated.

Third—There are governance issues that have recently come to the forefront that should be addressed. Board employees and vendors serving on boards clearly raise problems of governance. There has been much discussion about the role of corporate directors and the need to avoid conflicts and insure independence in the management of American corporations. Similarly, restrictions may need to be placed on board membership to avoid real or perceived conflicts.

Fourth—Proxy voting is the primary tool for shareholders to impact the behavior of corporate management. Recent corporate scandals have spotlighted the issue of the shareholders’ responsibility to not only monitor corporate decision making, but also to assess whether the investment in a particular company is at risk due to conflict of interest, lack of director independence, or more serious misbehavior on the part of corporate officers. All retirement boards should establish a process for exercising these important rights.

Fifth—In light of the some of the circumstances outlined above relative to vendors and disclosure of conflicts, the disclosure requirements for vendors and board members may need to be changed.

Sixth—Along these lines, there may be a need for financial disclosure by board members and key staff, similar to the financial statements that must be filed by state policy makers. The amount of assets under management by boards and the complexities of the marketplace make the establishment of such disclosures a necessary tool. The goal would be to not only address possible conflicts before they arise, but also to remove the perception of conflict of interest among system members, policy makers, and the public.

Seventh—Disciplinary action may need to be taken when a firm or individual providing services to the retirement boards is convicted of a crime related to procurement, or engages in practices that undermine public confidence in that firm’s ability to provide services. This would enable necessary action to take place while safeguarding the rights of those involved through the creation of a clear statutory process.

In the months ahead, the Commission will review the Advisory Committee recommendations. As part of this process, boards will be afforded ample opportunity to comment. Regardless of the outcome, all of us should be aware that, in the absence of a willingness to make constructive changes ourselves, others will be more than willing to make changes that may not be constructive at all.

2004 Reforms

The General Court was very active last session in the pension area. PERAC made several recommendations that were adopted and form phase one of the reforms that we hope to build on.

Section 15, relating to the termination of benefits due to conviction on various charges, has been a source of some controversy in recent years. PERAC, after reviewing the process for enforcement of these provisions, concluded that the greatest source for problems was the lack of communication between the law

enforcement community and the retirement boards. Some past criticism of the boards has been grossly unfair, as boards could hardly be expected to terminate benefits if no one informed them of the conviction in the first place. Consequently, PERAC proposed and the Legislature and Governor approved legislation that requires employers to notify boards of relevant convictions and also requires that the Attorney General and all District Attorneys notify the Commission of such convictions.

Standardization of the age to which surviving children can receive benefits was also adopted as a result of a PERAC recommendation. This eliminated anomalies in the law whereby certain retiree surviving children were eligible for the supplemental dependents allowance until the age of 22, if in school, while others could receive the benefit only until age 18.

In addition, legislation was approved that provides that those who fail to file earnings statements pursuant to Chapter 32, Section 91A would lose benefits for the period of non-compliance.

The retirees association advanced and the Legislature approved a measure to direct PERAC to conduct a study of the cost associated with increasing the COLA base from \$12,000 to \$22,000. The study will detail the impact of increases in \$1,000 increments, thereby providing analysis of options available between \$12,000 and \$22,000. Jim Lamenza, our actuary, is in charge of that project, and we anticipate concluding the study in the near future.

The Fiscal Year 2005 State Budget also directed PERAC to establish new actuarial equivalent factors to be used in the calculation of retirement allowances. These included the development of a new mortality table and interest rate to be used in determining those factors.

The new actuarial equivalent basis is the RP-2000 Combined Healthy Table with 50% male and 50% female rates and an interest rate of 7%.

Conclusion

The tone and tenor of this letter has deviated from those that have introduced previous editions of the *PERAC Annual Report*. The purpose of these comments

is to underscore the seriousness of the circumstances that confront the Massachusetts public pension community. Now is not the time to hope that the tide of change will pass us by or will lead to little substantive difference.

The public pension community in Massachusetts may be on the verge of an exciting but challenging period. Fiscal crises, national events, and the activities of the SEC as well as other regulatory bodies have increased the scrutiny of the pension law and those who must administer it. The Commission believes that the most effective way to meet this challenge is to be proactive in recognizing that change may be coming, and to act to shape that change in a manner that is in the best interest of current and future beneficiaries of the retirement systems.

Sincerely,


Joseph E. Connarton
Executive Director

2004 FINANCIAL MARKET & RETIREMENT BOARD PERFORMANCE REVIEW

Financial Market Review 2004

The year 2004 saw solid but unspectacular returns from the financial markets. Thanks to a strong fourth quarter, the stock market posted back-to-back gains for the first time since 1999. Despite Fed tightening of monetary policy, bonds enjoyed their fifth consecutive year of positive returns. While the best performing investment in 2004 would have been crude oil, whose price rose over 34%, the only sure way to lose money would have been to bet on the US dollar, whose trade-weighted value declined over 5%.

The Equity Market

With the presidential election decisively resolved and the economy showing signs of strength amid stabilized oil prices, the stock market shook off months of stagnation by rallying in November, temporarily ignoring the unsettled situation in Iraq and the lingering threat of terrorism. After the strong fourth quarter, the S&P 500 large cap index was up 10.9% for the year. The Dow Jones Wilshire 5000, the broadest measure of the market, rose 12.6% in 2004.

Despite many predictions that their run would be over, small cap stocks—by a significant margin—outperformed large caps for the sixth consecutive year. The Russell 2000 ended 2004 at an all-time high, while the S&P 500 still needed a 26% rally to recapture its previous high reached in March 2000. Midcaps also outpaced the S&P 500. Over the past five years, small caps (Russell

2000) have outperformed large caps (S&P 500) by an annualized 8.9%. The NASDAQ Composite, after rising 50% in 2003, cooled off in 2004, up only 8.6%. Some technology stocks, notably Intel, actually declined. The NASDAQ remains well below half its 2000 high.

Performance in 2004 was defined not as much by sectors as by the fortunes of individual companies. Several of the most prominent stocks in the large cap universe suffered particularly bad years in 2004, including Merck (-27.8%), Intel (-26.9%), Pfizer (-22.3%), General Motors (-21.4%), and Coca Cola (-16.2%). Others, such as McDonalds (+31.56%), Exxon Mobil (+28.1%), Johnson & Johnson (+25.2%), Boeing (+24.9%), Home Depot (+21.5%), and General Electric (+20.7%) outpaced the general market.

Also continuing a long-run trend, value outperformed growth in 2004, with the margins largest in the small cap and midcap universes. Over the past five years, value has outperformed growth by an annualized 9.5% among large caps (S&P 500/Barra) and by almost 21% among small caps (Russell 2000).

Economic growth overseas generally mirrored that of the US, but US investors enjoyed strong returns from overseas markets as a result of the declining dollar. As our current account deficit rose to 5.6% of GDP, the dollar sunk to 5-year lows against

the Euro and the yen, and to 12 and 13-year lows against the British pound and the Canadian dollar, respectively. The total return of the MSCI-EAFE Index, up 12.7% for the year in local currency terms, was up 20.2%, in US dollar terms. Oil producing countries such as Mexico and Venezuela did particularly well, and some Asia Pacific nations such as Australia, Singapore, and Hong Kong enjoyed impressive economic growth.

The Bond Market

Beginning in June, the Federal Reserve Board raised the federal funds rate five times from 1% to 2.25%. However, confounding conventional wisdom, rates on long bonds did not rise in concert. Rates on 2-year Treasury notes rose from 1.84% to 3.07% over the year but yields on the 10-year Treasury bond, which began the year at 4.26%, rose to 4.90% in June and fell below 4% in October, actually ended the year lower at 4.22%. Thus, the main effect of the Fed's actions has been a flattening of the yield curve.

The steadiness of the bond market in the face of Fed tightening reflects the fact that inflation, at around 3%, remains low and that the Fed has been basically moving to normalize short rates from their extraordinarily low levels of recent years. In addition, there was the significant purchasing of US Treasuries by foreign governments who hoped to protect their exporting industries by preventing a free-fall of the dollar.

As in the stock market, the traditionally riskier segments of the fixed income market did the best in 2004. Corporate bonds outpaced Treasuries as economic growth normalized and investors were hungry for incremental yield. At year-end, quality yield spreads were generally the narrowest since 1998. High yield “junk bonds” posted double digit returns again as their yield advantage over high grade bonds decreased

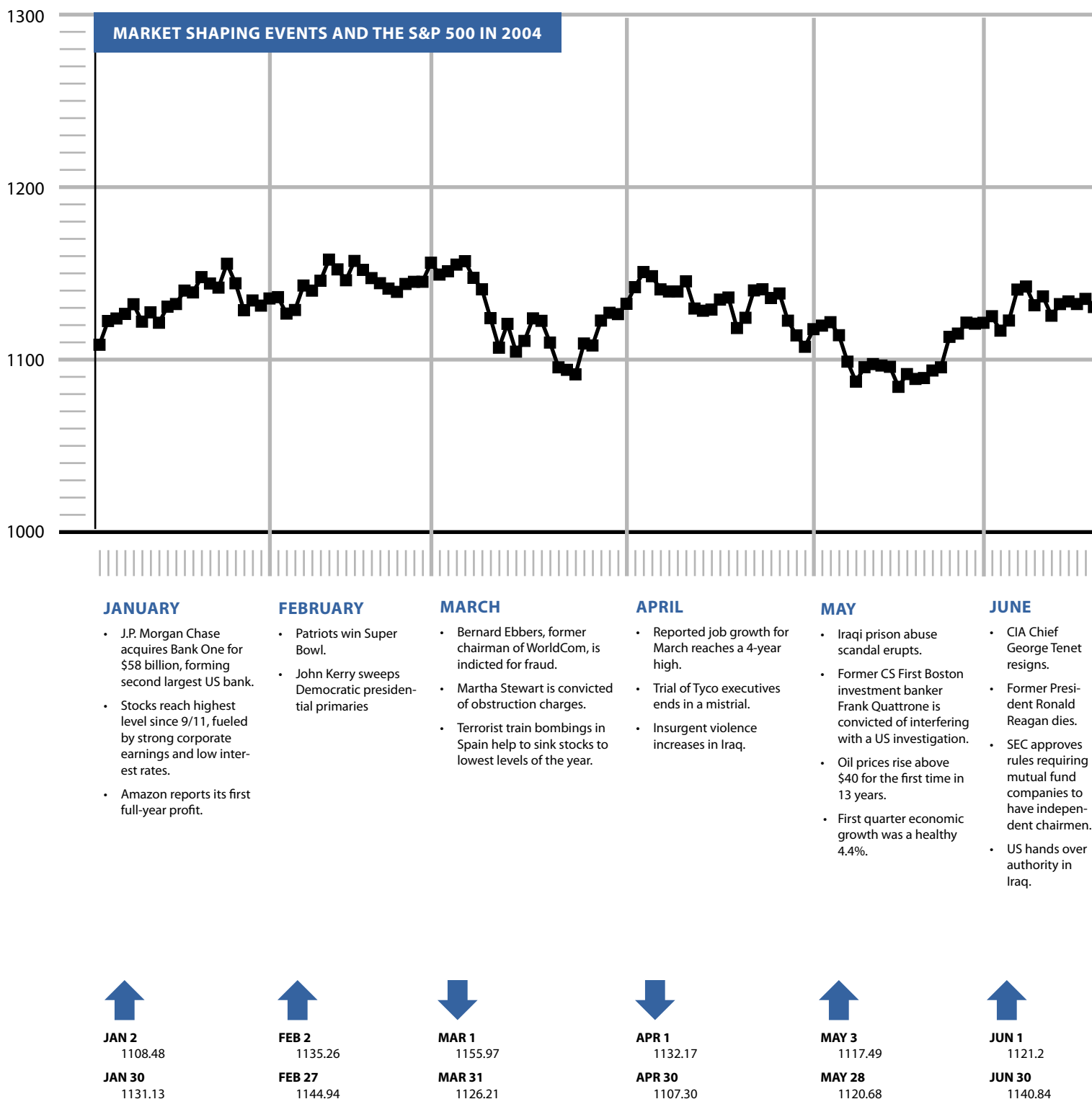
to historically narrow margins.

Other Asset Classes

Real estate continued to perform well. Publicly-traded REITs, supported by improving real estate fundamentals, a tepid stock market for most of the year, and attractive dividend yields relative to stocks, had another spectacular year, up over 30%. Returns were also improving on privately

held real estate, with the NCREIF national property index rising 14.5%.

Performance of venture capital and other segments of private equity continued to improve in 2004. Returns for the year were 19.3% for venture capital and 16.4% for all private equity, according to Venture Economics. Total venture capital investing rose after three years of decline, and it was

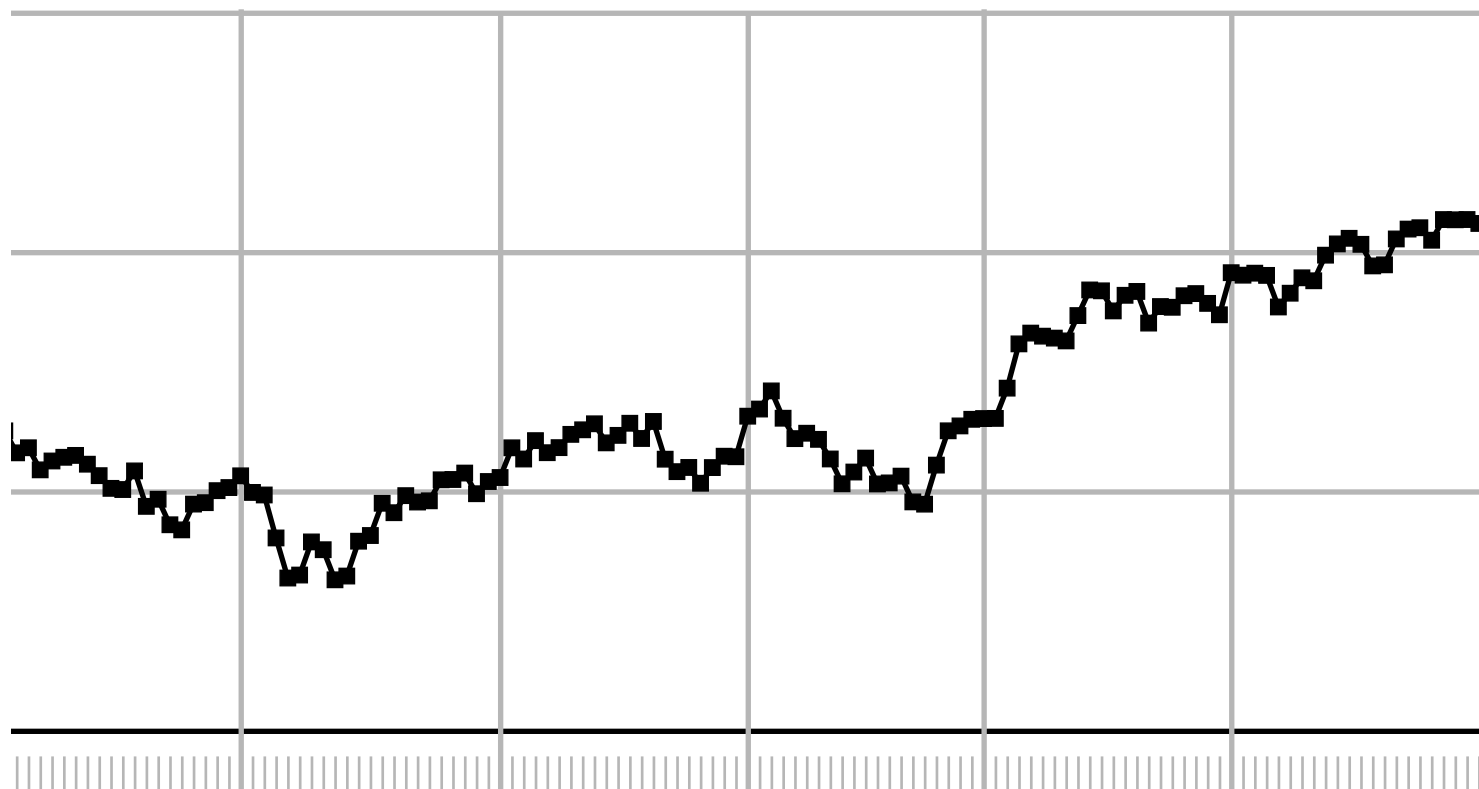


the best year since 2000 for initial public offerings. IPO activity by venture-backed companies in 2004 exceeded the prior three years combined in terms of the value of offerings.

For hedge funds, where returns generally lagged the S&P 500 for the year, 2004 was disappointing to those who have hailed the industry as being a panacea relative

to mediocre returns in traditional markets. Nevertheless, it was also disappointing to those cynics who have predicted a rash of blow-ups or other form of meltdown for the rapidly growing hedge fund industry. Assets under management are estimated to be approaching \$1 trillion (although that is still only about one eighth the size of the mutual funds industry) and more large public pension funds have initiated

hedge fund investments. Constrained by lackluster markets, low volatility, and, in some cases, too much hedge fund money chasing the same opportunities, composite returns on all hedge fund strategies were in the range of 8-9.5% while funds of funds products generally returned between 6.5-7.5%.



JULY

- Federal Reserve raises its short-term interest rate from 1% to 1.25%.
- Reported job growth for June slowed down.
- Kenneth Lay is indicted for his role in Enron collapse.
- 9/11 Commission Report is released.
- Microsoft announces huge one-time dividend, a doubled dividend rate, and a major stock buyback.
- Kerry-Edwards ticket is nominated in Boston.



JUL 1
1128.94
JUL 30
1101.72

AUGUST

- Oil prices continue to surge as job growth for July fell to a low for the year.
- Gold rises to a high for the year while stock prices fall to their lows.
- Hurricane Charley causes severe damage in Florida.



AUG 2
1106.62
AUG 31
1104.24

SEPTEMBER

- Bush-Cheney team is re-nominated in New York City.
- Under pressure, Michael Eisner agrees to step down as Disney CEO in two years.
- US Airways files for bankruptcy for second time.
- Hurricanes Ivan and Jeanne take a toll in the Gulf States and Florida.
- Fannie Mae is accused of widespread improper accounting practices.
- Oil prices top \$50/barrel.



SEP 1
1105.91
SEP 30
1114.58

OCTOBER

- Merck stock plunges after painkiller Vioxx is removed from the market.
- AT&T announces major job cuts and write-offs as it retreats from consumer market.
- Insurance giant Marsh & McLennon is accused of bid-rigging and other improprieties.
- Oil price tops \$55/barrel.
- Insurgent violence continues in Iraq.
- After 86 years of frustration and curses, Red Sox Nation finally rejoices.



OCT 1
1131.5
OCT 29
1130.2

NOVEMBER

- Bush wins a second term.
- Decisive election helps spur stock market rally.
- US forces move on Fallujah and Mosul insurgents.
- Yasser Arafat dies.
- K-Mart agrees to buy Sears Roebuck for \$11.5 billion.



NOV 1
1130.51
NOV 30
1173.82

DECEMBER

- Federal Reserve raises short-term rates for fifth time this year while long-term rates remain stable.
- SEC releases rules for regulation of hedge funds.
- US suffers a deadly attack at base near Mosul as pre-election violence continues.
- Massive under-sea earthquake spawns a tsunami that devastates south Asia.
- The dollar sinks to new lows, but stocks rise to a 3 1/2 year high.



DEC 1
1191.37
DEC 31
1211.92

2004 Performance Review & Analysis

As of December 31, 2004, the composite asset allocation for the 84 Massachusetts local systems that invested on their own was: Domestic Equity, 43.2%; International Equity, 13.7%; Domestic Fixed Income, 26.5%; International Fixed Income, 2.5%; Real Estate, 4.8%; Alternative Investments, 1.9%; Hedge Funds, 1.2%; PRIT Core Fund, 1.5%; and Cash, 4.7%. Assets in these systems totaled \$14.5 billion. Among these 84 systems, 70 invested in international equity, 13 in international fixed income, 56 in real estate, and 36 in alternative investments. Six systems had partial investments in the PRIT Core Fund, and 23 participated in the PRIT Fund's segmentation program.

Twenty local systems with assets totaling \$1.1 billion invested entirely in the PRIT Core Fund as of year-end. The asset allocation of that \$36.0 billion fund as of December 31, 2004 was Domestic Equity, 35.1%; International Equity, 15.7%; Emerging Markets, 5.7%; Fixed Income, 15.9%; High Yield Debt, 7.3%; Alternative Investments, 5.6%; Real Estate, 6.6%; Timber, 3.6%; and Absolute Return, 4.5%.

Performance among the 104 local systems ranged between 4.3% and 14.9%. For the 84 systems that invested on their own, the median return was 11.1%. The composite median return for all 104 local systems was 11.7%.

The median return for the 20 systems that invested totally with PRIT approximated

that of the fund itself, which was 14.4%. Internal cash positions and cash flows enhanced or subtracted from the returns of individual systems relative to the PRIT Fund's basic return. The PRIT Fund's size enables it to invest in a wider range of asset classes than many of the local systems and, in 2004, the Fund's return benefited from strong performance by managers in all asset classes, but was particularly enhanced by the Fund's significant exposures to and strong performance in real estate, international equity, emerging markets, alternative investments, and timber. Its fixed income performance benefited from positions in high yield debt and TIPS (Treasury Inflation Protected Securities).

The returns reported for Massachusetts' public pension systems can be compared to the median return of the public fund universes of the following national investment consultants: New England Pension Consultants/ICC, 10.95%; Mercer, 12.5%; and TUCS (Trust Universe Comparison Service), 11.6%.

As always, the major determinants of performance among the non-PRIT systems were asset allocation and the relative performance of investment managers. Among the decisive characteristics of the best performing systems in 2004 were: asset allocation of at least 50-60% in domestic and international equity and all managers meeting or exceeding their benchmarks; within domestic equity, healthy allocations to small and midcaps; at least 10% in international equity, where returns were as high

as 28%; healthy exposure to real estate, where returns from that sector among the top five systems ranged from 28-39%; and within fixed income, meaningful exposure to corporate bonds and high yield bonds along with US Treasuries.

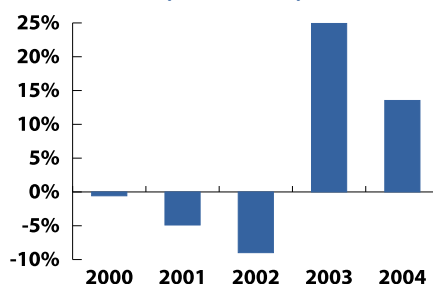
The systems with lagging performance in 2004 were all relatively small systems that invest almost entirely in domestic stocks and bonds, with little or no exposure to small caps and midcaps or international stocks, and, within fixed income, little if any exposure to lower grade and high yield corporate bonds. A system with consistently conservative asset allocation, reflecting in part a fully funded system, would be expected to lag during those typical years when stocks outperform bonds. Such was the case with some systems, but sadly, several boards did significantly worse than would be expected by their overall stock/bond allocation because they employed only one investment manager, and that manager had exceedingly disappointing performance relative to its benchmarks.

The returns for 2004 showed once again that, just as it is important to have reasonable well-diversified asset allocation in order to dampen portfolio volatility and smooth out returns over time, it is crucial to have managers who successfully fulfill their mandates. Asset allocation goes hand in hand with the diligent selection and careful monitoring of investment managers.

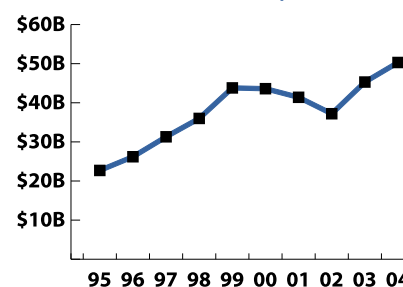
COMPOSITE INVESTMENT PROFILE

2004 Return	13.53%
2004 Market Value	\$50.3B
2000-2004 Return (Annualized)	4.07%
1985-2004 Return (Annualized)	10.67%

Investment Return (2000 - 2004)



Asset Growth - Market Value (1995 - 2004)



INTRODUCTION TO THE BOARD PROFILES

The Board Profile section of the *PERAC Annual Report* represents the only comprehensive compilation of data relative to our retirement systems that is available. This data can be used to assess the funding condition of the system, membership information, investment return history, asset growth, disability experience, and audit results. In addition, the names of the board members and administrators are listed, as well as the board meeting schedule and pertinent information about how to contact the board.

As always, actuarial information details the fiscal condition of the systems, which can play a direct role in state and local budgets. The funded ratio indicates the extent to which assets cover system liabilities. When the system will pay off its unfunded liability and what type of funding technique is being used are also noted. The returns achieved in 2004 are not yet reflected in the actuarial statistics.

PERAC has emphasized that investment performance be assessed over the long-term. This point is underscored by returns bouncing back in 2004 after several years of dismal performance.

In assessing investment performance, PERAC relies on the retirement boards to submit accurate and complete information about investment activity. Unfortunately, that is not always the case. In some instances, we have made the appropriate

adjustments to returns. PERAC numbers might differ from those provided to the board by its consultant because PERAC measures all assets, including monies not committed to investment management. In addition, PERAC includes fourth quarter results from real estate and venture capital partnerships that are often not available to consultants until the close of the first quarter of the next year.

For the first time, investment vendors are included on the page that displays other board data and are listed according to asset class. We believe that this provides a more convenient format for the reader.

In addition to the information detailed in the Profiles, PERAC, as always, has been busy assisting the boards in other areas. In 2004, 879 medical panel requests were processed. Six hundred and seventy-eight disability applications and 103 accidental death claims were approved. The Disability Unit staff conducted 1,656 comprehensive medical evaluation reviews of disabled retirees. Physicians conducted 125 evaluations of disabled retirees and, of that group, 4 retirees were returned to service.

PERAC is responsible for the post retirement monitoring of disabled retirees. One aspect of that task is enforcing the earnings limits set forth in Chapter 32. In 2004, PERAC analyzed 15,088 earnings reports; 3,619 retirees reported earnings, and 178 earned in excess of the statutory limits. An

additional 61 retirees failed to comply with the reporting requirement. This resulted in the recovery of \$1,426,094 in excess earnings and \$870,342 for non-compliance. Since PERAC assumed these responsibilities, a total of \$17,691,427 has been saved, including \$11,284,856 in excess earnings recovery, \$2,228,359 in allowance suspensions, \$2,093,899 as a result of retirees returning to work, and \$2,084,312 in waived allowances.

In 2004, PERAC conducted 34 audits of retirement systems and issued 53 audit reports. Major issues that arose during these audits were related to regular compensation, the maintenance of minutes, and contribution rates. In general, boards have made a concentrated effort to clear up audit findings, and this has been reflected in follow-up reports as well as regularly scheduled audits. PERAC audit staff also conducted the annual seminars on the preparation of the *Annual Statement* and participated in seminars that included sessions on the audit cycle. Nearly 250 board members and staff attended these events.

During 2004, PERAC also initiated a series of quarterly publications entitled, *PERAC Pension News*. These communications provide board members, staff, and interested parties with updated information about PERAC activities and pension issues. This development coincided with the sponsorship of the first annual Emerging Issues Forum covering corporate governance.

Nearly 150 people attended that conference and heard presentations from the Auditor, the Treasurer, and representatives of the Secretary of State and the SEC. Regular publications included the *PERAC Quarterly Financial Bulletin*, *PERAC Pension NewsFlashes*, and the *PERAC Publications Catalog*.

In the actuarial area, PERAC approved 59 new funding schedules and completed 15 actuarial valuations in 2004. The valuations complimented the 59 valuations performed by private actuaries. The actuarial unit also conducted an analysis of Retirement Plus, issued 65 local ERI reports as well as the state ERI report, as-

sessed, reviewed, and approved a number of pension holiday applications, and completed the annual actuarial valuation of the Commonwealth's pension liability. Throughout the year, PERAC responded to legislative and gubernatorial requests for analysis of legislation and made presentations at several forums.

ADAMS

Town Hall, 8 Park Street, 3rd Floor, Adams, MA 01220

Phone 413-743-5575

Fax 413-743-2815

Board Meeting Fourth Tuesday of each month at 4:00 pm

Board Members Bernard A. Pinsonnault (Chairperson), Mary Beverly, David Clark, Allen Mendel, Francis J. Wojtaszek

Board Administrator Cheryl J. Siciliano

ACTUARIAL

Funded Ratio 84.6%

Date of Last Valuation 1/04

Actuary PERAC

Assumed Rate of Return 8.00%

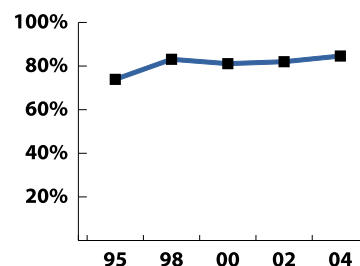
Funding Schedule Level

Year Fully Funded 2013

Active Members 210

Retired Members 145

Funded Ratio



INVESTMENT

2004 Return 7.85%

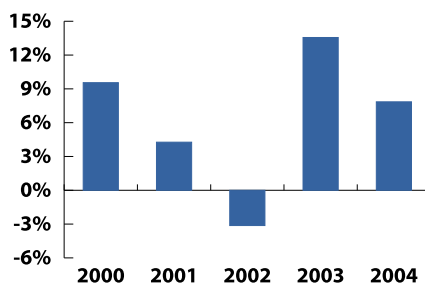
2004 Target Return 8.30%

2004 Market Value \$21.2M

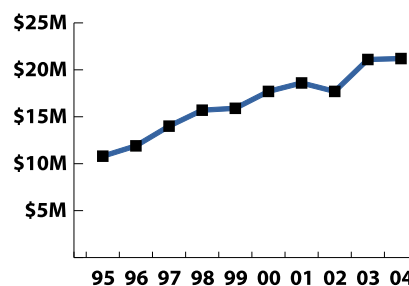
**2000-2004 Return
(Annualized)** 6.27%

**1985-2004 Return
(Annualized)** 9.67%

Investment Return (2000 - 2004)



Asset Growth - Market Value (1995 - 2004)



INVESTMENT VENDORS

Domestic Equity

- Boston Private Value Investors

Fixed Income

- Boston Private Value Investors

Custodian

- Investors Bank & Trust

AMESBURY

Town Hall, 62 Friend Street, Amesbury, MA 01913-2825

Phone 978-388-8131

Fax 978-388-6727

Board Meeting Last Thursday of each month at 1:30 pm

Board Members Cornelia Freeman (Chairperson), Michael Basque, Charles Benevento, Michael Cronin, Barbara Moore

Board Administrator Sheryl Trezise

ACTUARIAL

Funded Ratio 58.5%

Date of Last Valuation 1/04

Actuary John Hancock

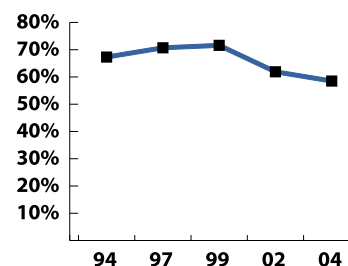
Assumed Rate of Return 8.25%

Funding Schedule Increasing 4.50%
Year Fully Funded 2025

Active Members 307

Retired Members 230

Funded Ratio



INVESTMENT

2004 Return 10.63%

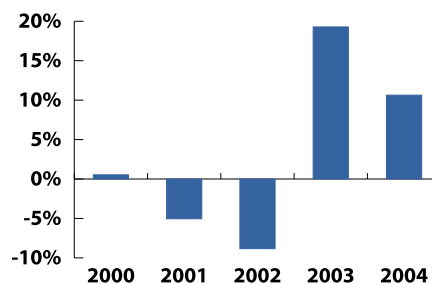
2004 Target Return 8.25%

2004 Market Value \$30.1M

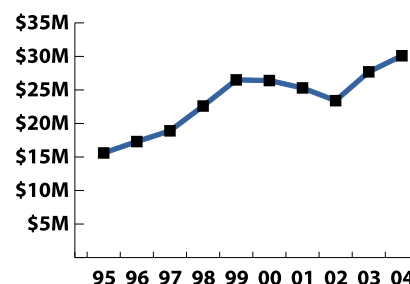
**2000-2004 Return
(Annualized)** 2.81%

**1985-2004 Return
(Annualized)** 9.20%

Investment Return (2000 - 2004)



Asset Growth - Market Value (1995 - 2004)



INVESTMENT VENDORS

Domestic Equity

- BNY Small Cap Growth Fund
- CRM Institutional Mid Cap Value Mutual Fund
- RhumbLine S&P 500 Pooled Index Fund

International Equity

- Boston Company International Core Equity Fund

Fixed Income

- SSgA Passive Bond Market Index SL Fund

Real Estate

- UBS Real Estate Separate Account (RESA)

Consultant

- Segal Advisors

ANDOVER

Town Offices, 36 Bartlet Street, Andover, MA 01810

Phone 978-623-8209

Fax 978-623-8208

Board Meeting Last week of each month, day and date vary

Board Members James A. Cuticchia (Chairperson), John C. Doherty, James L. Edholm, Elena M. Kothman, Rodney P. Smith

Board Administrator Elena M. Kothman

ACTUARIAL

Funded Ratio 78.1%

Date of Last Valuation 1/04

Actuary Segal

Assumed Rate of Return 8.50%

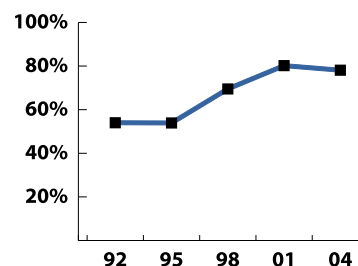
Funding Schedule Increasing 3.0%

Year Fully Funded 2024

Active Members 720

Retired Members 334

Funded Ratio



INVESTMENT

2004 Return 6.24%

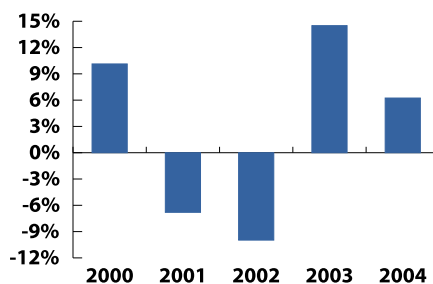
2004 Target Return 8.50%

2004 Market Value \$78.8M

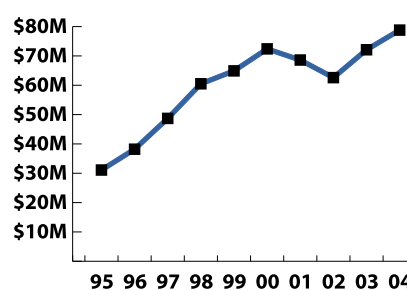
2000-2004 Return (Annualized) 2.37%

1985-2004 Return (Annualized) 10.02%

Investment Return (2000 - 2004)



Asset Growth - Market Value (1995 - 2004)



INVESTMENT VENDORS

Domestic Equity

- Fortis Investments
- SSgA S&P 500 Index Fund

Custodian

- State Street

Fixed Income

- Fortis Investments
- SSgA Lehman Aggregate Bond Index Fund

Real Estate

- PRIT

Consultant

- Segal Advisors

ARLINGTON

869 Massachusetts Avenue, Arlington, MA 02476-4701

Phone 781-316-3370

Fax 781-316-3379

Board Meeting Last Thursday of the month at 4:30 pm

Board Members John J. Bilafer (Chairperson), Richard Keshian, Ruth Lewis, Emelio Rosselli, Ken Steele

Board Administrator Richard Greco

ACTUARIAL

Funded Ratio 61.5%

Date of Last Valuation 1/04

Actuary Stone

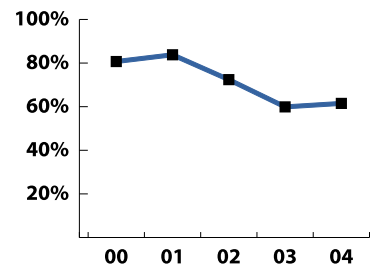
Assumed Rate of Return 7.75%

Funding Schedule Increasing 4.0%
Year Fully Funded 2022

Active Members 683

Retired Members 627

Funded Ratio



INVESTMENT

2004 Return 11.84%

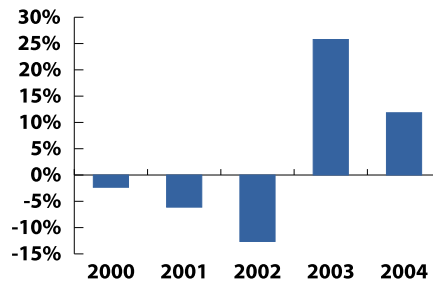
2004 Target Return 7.58%

2004 Market Value \$123.8M

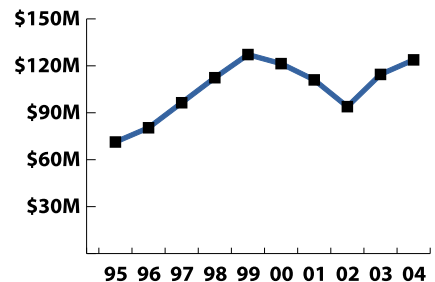
2000-2004 Return (Annualized) 2.42%

1985-2004 Return (Annualized) 10.45%

Investment Return (2000 - 2004)



Asset Growth - Market Value (1995 - 2004)



INVESTMENT VENDORS

Domestic Equity

- Lotsoff Capital Management
- SSgA S&P 500 Flagship Fund

International Equity

- Oechsle International Non-US-Commingled Fund

Fixed Income

- Columbia Management Group, Inc.

Alternative Investments

- Wilshire Private Markets Fund IV

Consultant

- Wilshire Associates

Custodian

- State Street

ATHOL

584 Main Street, Athol, MA 01331

Phone 978-249-6618

Fax 978-249-6912

Board Meeting Last Wednesday of each month at 9:00 am

Board Members James W. Wright (Chairperson), Gene A. Ferrari, Jr., Brian Martin, Brian Stoddard, Joseph Wojtkowski

Board Administrator Gene A. Ferrari, Jr.

ACTUARIAL

Funded Ratio 54.3%

Date of Last Valuation 1/02

Actuary PERAC

Assumed Rate of Return 8.25%

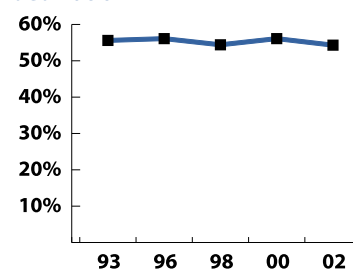
Funding Schedule Increasing 4.5%

Year Fully Funded 2028

Active Members 266

Retired Members 129

Funded Ratio



INVESTMENT

2004 Return 4.31%

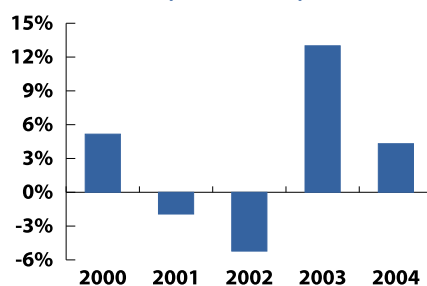
2004 Target Return 8.40%

2004 Market Value \$13.5M

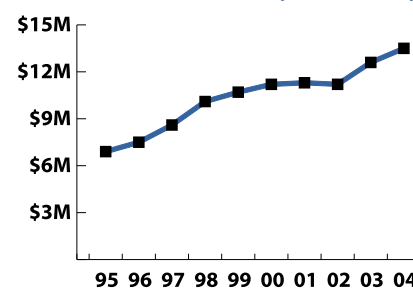
**2000-2004 Return
(Annualized)** 2.87%

**1985-2004 Return
(Annualized)** 8.21%

Investment Return (2000 - 2004)



Asset Growth - Market Value (1995 - 2004)



INVESTMENT VENDORS

Domestic Equity

- de Burlo Group

Fixed Income

- de Burlo Group

Custodian

- Investors Bank & Trust

ATTLEBORO

77 Park Street, Attleboro, MA 02703

Phone 508-223-2222

Fax 508-223-2063

Board Meeting Last Tuesday or Thursday of each month

Board Members Gary S. Sagar (Chairperson), Robert L. Adams, Richard V. Boucher, Vivian Dugas, Deborah C. Gould

Board Administrator Leslie J. Ring

ACTUARIAL

Funded Ratio 62.7%

Date of Last Valuation 1/04

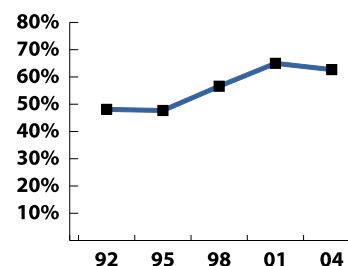
Actuary John Hancock

Assumed Rate of Return 8.00%

Funding Schedule Increasing 4.5%
Year Fully Funded 2026

Active Members 604
Retired Members 380

Funded Ratio



INVESTMENT

2004 Return 13.83%

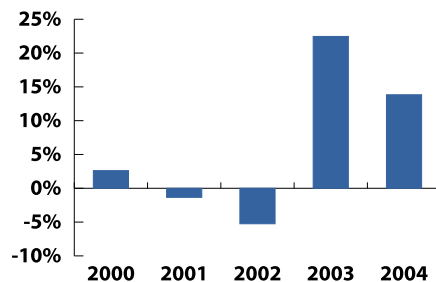
2004 Target Return 9.00%

2004 Market Value \$71.6M

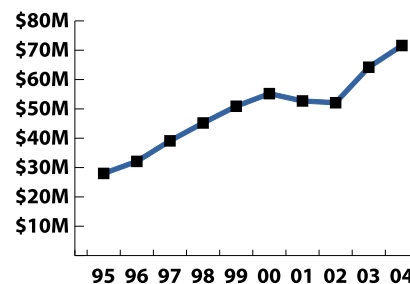
2000-2004 Return (Annualized) 5.98%

1985-2004 Return (Annualized) 10.18%

Investment Return (2000 - 2004)



Asset Growth - Market Value (1995 - 2004)



INVESTMENT VENDORS

Domestic Equity

- Boston Advisors, Inc.
- Daruma Asset Management, Inc.
- RhumbLine S&P 500 Pooled Index Fund

International Equity

- INVESCO IRT International Equity Fund
- SSgA International Growth Opportunities Fund

Fixed Income

- Vanderbilt Capital Advisors

Real Estate

- INVESCO IRT Equity Real Estate Securities Fund

Consultant

- Segal Advisors

Custodian

- Investors Bank & Trust

BARNSTABLE COUNTY

99 Willow Street, Yarmouthport, MA 02675-1742

Phone 508-362-4525

Fax 508-362-5199

Board Meeting Fourth Tuesday of each month at 9:00 am

Board Members E. Mark Zielinski (Chairperson), Mary J. LeClair, Walfred Lundstrom, Robert F. Rolanti, C. Randall Sherman

Board Administrator Debra L. Cohen

ACTUARIAL

Funded Ratio 58.4%

Date of Last Valuation 1/04

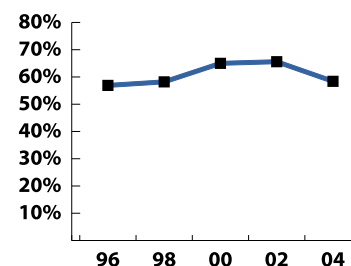
Actuary Segal

Assumed Rate of Return 8.25%

Funding Schedule Increasing 4.5%
Year Fully Funded 2028

Active Members 5,031
Retired Members 2,125

Funded Ratio



INVESTMENT

2004 Return 11.55%

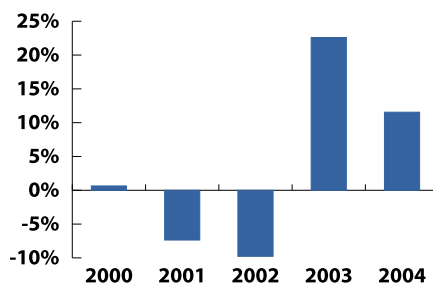
2004 Target Return 9.25%

2004 Market Value \$414.9M

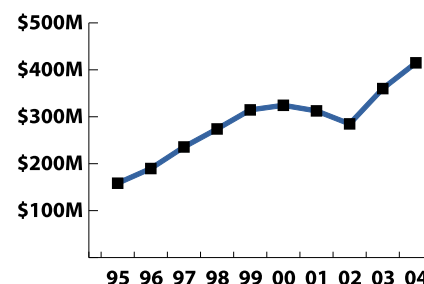
2000-2004 Return (Annualized) 2.84%

1985-2004 Return (Annualized) 8.42%

Investment Return (2000 - 2004)



Asset Growth - Market Value (1995 - 2004)



INVESTMENT VENDORS

Domestic Equity

- Boston Trust & Investment Management Company
- PRIT
- Wellington Trust Co-CIF Small Cap Fund

International Equity

- Bank of Ireland Asset Mgmt SAF International Equity Sub Trust
- Fidelity International Growth Commingled Pool

Fixed Income

- Wellington Trust Co-CIF II Core Bond Plus Portfolio

Real Estate

- UBS Real Estate Separate Account (RESA)

Alternative Investments

- PRIT

Consultant

- Segal Advisors

Custodian

- State Street

BELMONT

P.O. Box 56, Town Hall, 455 Concord Avenue, Belmont, MA 02478-0900

Phone 617-484-8560

Fax 617-484-1382

Board Meeting Varies

Board Members Rosario A. Sacco (Chairperson), Thomas F. Gibson, Barbara E. Hagg, Peter Palandjian, Walter D. Wellman

Board Administrator Marion E. Coté

ACTUARIAL

Funded Ratio 56.2%

Date of Last Valuation 1/04

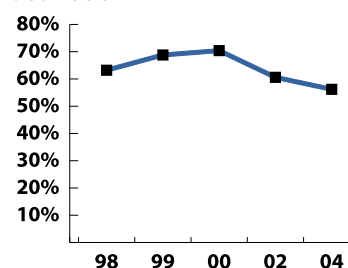
Actuary Mellon

Assumed Rate of Return 8.25%

Funding Schedule Increasing 4.5%
Year Fully Funded 2025

Active Members 421
Retired Members 345

Funded Ratio



INVESTMENT

2004 Return 12.78%

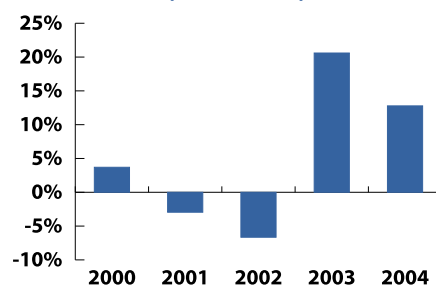
2004 Target Return 8.50%

2004 Market Value \$52.1M

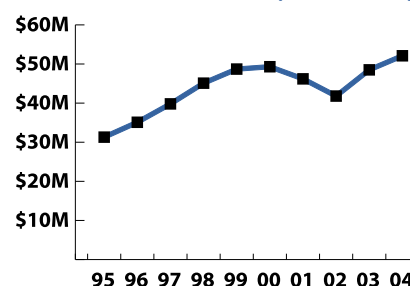
2000-2004 Return (Annualized) 5.03%

1985-2004 Return (Annualized) 10.32%

Investment Return (2000 - 2004)



Asset Growth - Market Value (1995 - 2004)



INVESTMENT VENDORS

Domestic Equity

- Atlanta Capital Management Company, LLC
- Wellington Trust Co-CIF Large Cap Research Value Fund

International Equity

- Julius Baer International Equity Strategy Fund

Fixed Income

- Frontegra Total Return Bond Fund

International Fixed Income

- Delaware Pooled Trust Global Fixed Income Portfolio

Real Estate

- PRIT

Alternative Investments

- PRIT

Consultant

- New England Pension Consultants

Custodian

- State Street

BERKSHIRE REGIONAL

Court House, 76 East Street, Pittsfield, MA 01201

Phone 413-499-1981

Fax 413-445-7990

Board Meeting Fourth Thursday of each month

Board Members Peter G. Arlos (Chairperson), Patricia D. Carlino, Gerald Doyle, Jr., Peter Menard, Michael Ovitt

Board Administrator Sheila LaBarbera

ACTUARIAL

Funded Ratio 74.1%

Date of Last Valuation 1/03

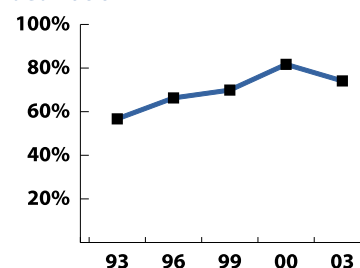
Actuary PERAC

Assumed Rate of Return 8.00%

Funding Schedule Increasing 4.5%
Year Fully Funded 2022

Active Members 1,216
Retired Members 614

Funded Ratio



INVESTMENT

2004 Return 14.03%

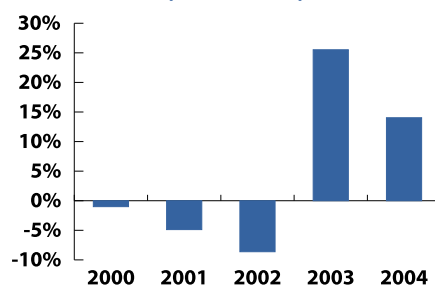
2004 Target Return 8.12%

2004 Market Value \$100.5M

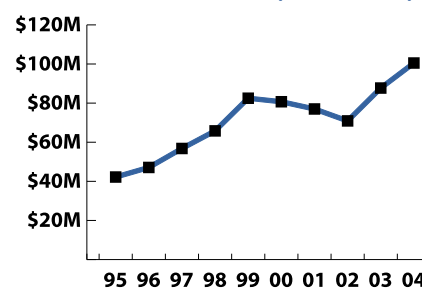
2000-2004 Return (Annualized) 4.26%

1985-2004 Return (Annualized) 10.32%

Investment Return (2000 - 2004)



Asset Growth - Market Value (1995 - 2004)



INVESTMENT VENDOR

- PRIT

BEVERLY

City Hall, 191 Cabot Street, Beverly, MA 01915
Phone 978-921-6000 **Fax** 978-921-8582

Board Meeting Last Thursday of each month

Board Members John F. Lane, Jr. (Chairperson), Crystal Atherton, Carol I. Augulewicz, Edward F. Comeau, Jr., Raymond J. Stecker, Jr.

Board Administrator Ann M. Fournier

ACTUARIAL

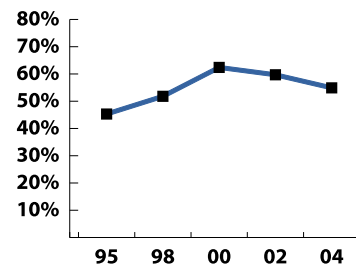
Funded Ratio 54.9%
Date of Last Valuation 1/04

Actuary PERAC
Assumed Rate of Return 8.00%

Funding Schedule Increasing 4.5%
Year Fully Funded 2028

Active Members 569
Retired Members 444

Funded Ratio



INVESTMENT

2004 Return 13.18%

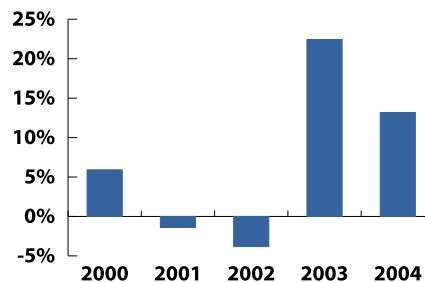
2004 Target Return 8.53%

2004 Market Value \$72.2M

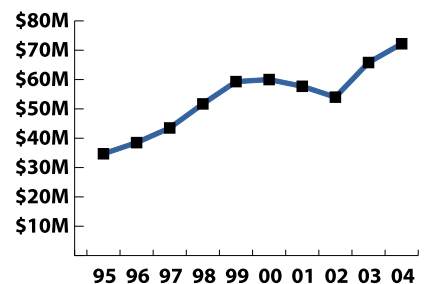
2000-2004 Return (Annualized) 6.84%

1985-2004 Return (Annualized) 10.48%

Investment Return (2000 - 2004)



Asset Growth - Market Value (1995 - 2004)



INVESTMENT VENDORS

Domestic Equity

- J.L. Kaplan Associates
- Loomis, Sayles & Company, L.P.

International Equity

- Fidelity International Growth
- Commingled Pool

Fixed Income

- Income Research & Management

International Fixed Income

- Delaware Pooled Trust Global Fixed Income Portfolio

Balanced Fund

- PanAgora TAA Equity Fund

Consultant

- New England Pension Consultants

Custodian

- State Street

BLUE HILLS REGIONAL

800 Randolph Street, Canton, MA 02021

Phone 781-828-5800

Fax 781-828-0794

Board Meeting Last Tuesday of each month at 8:15 am

Board Members Charles Gisondi (Chairperson), Patricia Brooks, Benson Diamond, Esq., Virginia Frew, Arlene Valcourt

Board Administrator David J. Sullivan

ACTUARIAL

Funded Ratio 62.2%

Date of Last Valuation 1/04

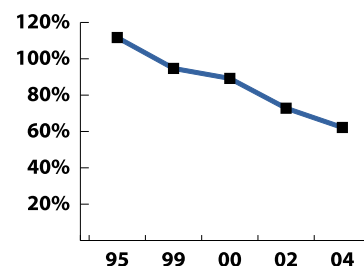
Actuary PERAC

Assumed Rate of Return 8.25%

Funding Schedule Increasing 4.5%
Year Fully Funded 2028

Active Members 43
Retired Members 48

Funded Ratio



INVESTMENT

2004 Return 14.09%

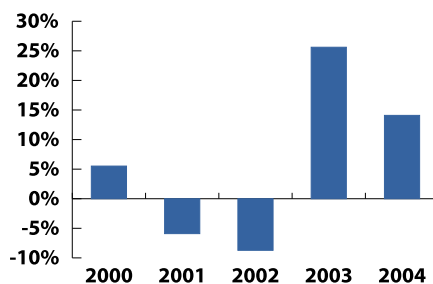
2004 Target Return 8.12%

2004 Market Value \$5.6M

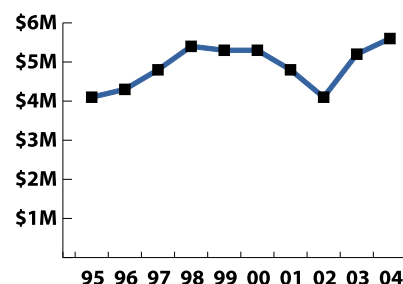
2000-2004 Return (Annualized) 5.37%

1985-2004 Return (Annualized) 9.75%

Investment Return (2000 - 2004)



Asset Growth - Market Value (1995 - 2004)



INVESTMENT VENDOR

- PRIT

BOSTON

City Hall, Room 816, Boston, MA 02201

Phone 617-635-4305

Fax 617-635-4318

Board Meeting Varies

Board Members Lawrence R. Curran (Chairperson), Sally D. Glora, Brendan McDonough, John Perkins, Edward Welch

Board Administrator Robert E. Tierney

ACTUARIAL

Funded Ratio 62.4%

Date of Last Valuation 1/04

Actuary Segal

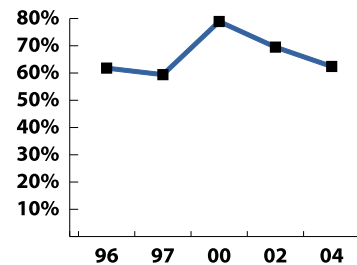
Assumed Rate of Return 8.00%

Funding Schedule Increasing 4.5%
Year Fully Funded 2023

Active Members 20,456

Retired Members 14,034

Funded Ratio



INVESTMENT

2004 Return 12.01%

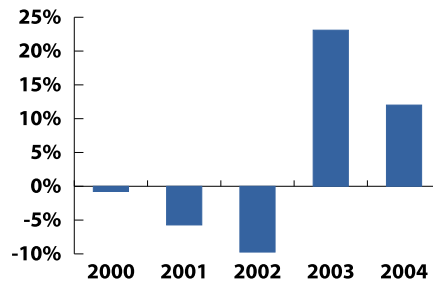
2004 Target Return 8.00%

2004 Market Value \$3.5B

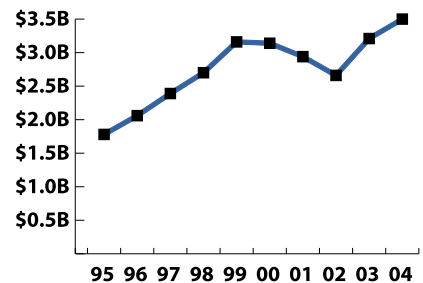
2000-2004 Return (Annualized) 3.09%

1985-2004 Return (Annualized) 10.30%

Investment Return (2000 - 2004)



Asset Growth - Market Value (1995 - 2004)



INVESTMENT VENDORS

Domestic Equity

- Boston Company
- Freedom Capital Management Corporation
- J&W Seligman & Company, Inc.
- RhumbLine S&P 500 Pooled Index Fund
- SSgA Russell 3000 Index Fund
- SSgA Russell 3000 Plus Index Fund
- SSgA Russell 2000 Growth Index Fund
- Westfield Capital Management Company, LLC
- Zevenbergen Capital

International Equity

- Bank of Ireland Asset Mgmt SAF International Equity Sub Trust
- Capital International Emerging Markets Growth Fund
- INVESCO Global Asset Management, Inc.
- PanAgora Asset Management

Fixed Income

- Fountain Capital Management, LLC
- J.P. Morgan Investment Counsel
- Richmond Capital Management
- SSgA Bond Market Index Fund

International Fixed Income

- Loomis, Sayles & Company, L.P.

Real Estate

- Hearthstone Multi-State Residential Value Added Fund III
- Hearthstone-MSII Homebuilding Investors
- Heitman Real Estate Fund IV
- INVESCO Core Real Estate Fund
- LaSalle Income & Growth Fund II & III
- Schroder Real Estate Value Enhancement Fund B L.P.
- Urdang & Associates Real Estate Advisors, Inc.

INVESTMENT VENDORS (CONT.)

Alternative Investments

- Ascent Venture Partners III, L.P.
- Audax Mezzanine Fund, L.P.
- Blue Point Capital Partners, L.P.
- Boston Millennia Partners II, L.P.
- Commonwealth Capital Ventures III
- Copley Partners I & II
- Crescendo IV, L.P.
- European Strategic Partners I, L.P.
- Evercore Capital Partners II, L.P.
- Evercore METC Capital Partners II, L.P.
- J.W. Childs Equity Partners III, L.P.
- Lexington Capital Partners V, L.P.
- Monitor Clipper Equity Partners, L.P.
- MPM BioVentures III, L.P.
- New England Growth Fund I & II, L.P.
- Prudential Capital Partners, L.P.
- Prudential Capital Partners II
- Sanderling Venture Partners V & VI
- SCP Private Equity Partners II, L.P.
- Siguler Guff Distressed Opportunities Fund
- Sterling Capital Partners, L.P.
- Sterling Venture Partners, LLC
- T. H. Lee Equity Partners, L.P.
- TH Lee Putnam Parallel Ventures, L.P.
- Thomas H. Lee Equity Advisors IV, LLC
- Thomas H. Lee Equity Fund V, L.P.
- Thomas Weisel Global Growth Partners II
- Vanguard VI Annex Fund, L.P.
- Vanguard VII, L.P.
- Venture Lending & Leasing III & IV

Hedge Fund

- Arden Endowment Advisors Fund
- IVY Asset Mgmt---Maplewood Associates II, L.P.
- Mesirow Absolute Return Fund
- UBS--Diversified Neutral Alpha Fund

Commission Recapture

- Bank of NY ESI
- Donaldson & Company
- Pension Fund Evaluations

Consultant

- New England Pension Consultants

Custodian

- State Street

BRAINTREE

Council on Aging Building, 71 Cleveland Avenue, Room 3, Braintree, MA 02184

Phone 781-794-8210 and 8211

Fax 781-356-7735

Board Meeting Fourth Tuesday of each month

Board Members Carl R. Johnson III (Chairperson), Phyllis DiPalma, Edward Dowd, Gerald J. Kenny, Jr., Frederick Viola

Board Administrator Jeanne Martineau-Fernald

ACTUARIAL

Funded Ratio 68.3%

Date of Last Valuation 1/04

Actuary Stone

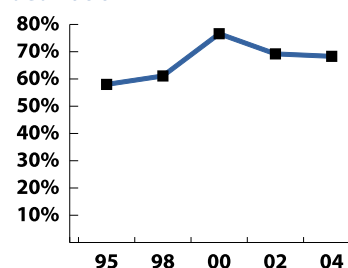
Assumed Rate of Return 8.00%

Funding Schedule Increasing 2.0%
Year Fully Funded 2028

Active Members 700

Retired Members 489

Funded Ratio



INVESTMENT

2004 Return 12.87%

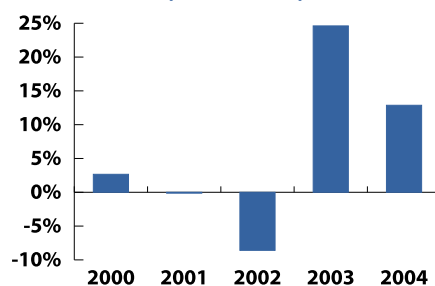
2004 Target Return 8.00%

2004 Market Value \$114.7M

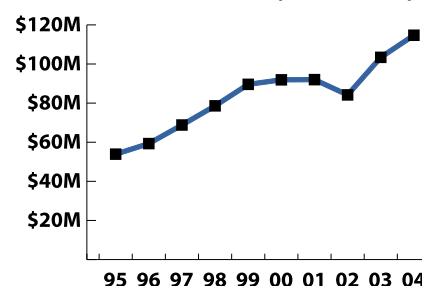
**2000-2004 Return
(Annualized)** 5.68%

**1985-2004 Return
(Annualized)** 10.07%

Investment Return (2000 - 2004)



Asset Growth - Market Value (1995 - 2004)



INVESTMENT VENDORS

Domestic Equity

- Armstrong Shaw Associates
- Eubel Brady & Suttman (EBS) Asset Management
- J.L. Kaplan Associates, LLC
- SSgA S&P 500 Flagship Fund

Fixed Income

- Loomis Sayles Investment Grade Fixed Income Fund
- SSgA Passive Bond Market Index SL Fund

International Equity

- Boston Company International Equity Fund

Real Estate

- Metric Apartment Co-Investment Trust Fund (MAC Trust)
- PRIT

Consultant

- New England Pension Consultants

Custodian

- State Street

BRISTOL COUNTY

County Crossing, 645 County Street, Taunton, MA 02780

Phone 508-824-4029

Fax 508-880-8749

Board Meeting Last Thursday of each month

Board Members Kevin J. Finnerty (Chairperson), William M. Downey, Edmund J. Lima, Stephen J. Rivard, Christopher T. Saunders

Board Administrator John L. Walsh

ACTUARIAL

Funded Ratio 66.2%

Date of Last Valuation 1/03

Actuary Buck

Assumed Rate of Return 8.50%

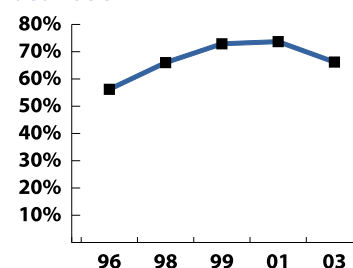
Funding Schedule Increasing 4.5%

Year Fully Funded 2023

Active Members 3,914

Retired Members 1,785

Funded Ratio



INVESTMENT

2004 Return 10.05%

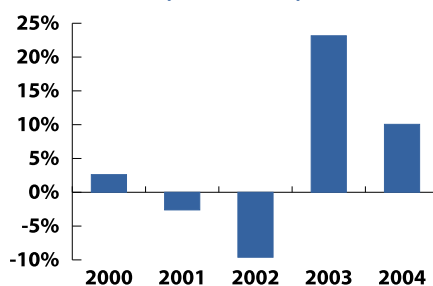
2004 Target Return 8.90%

2004 Market Value \$328.1M

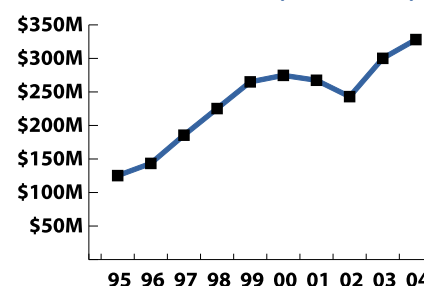
2000-2004 Return (Annualized) 4.13%

1985-2004 Return (Annualized) 10.29%

Investment Return (2000 - 2004)



Asset Growth - Market Value (1995 - 2004)



INVESTMENT VENDORS

Domestic Equity

- Constitution Research & Management
- Earnest Partners, LLC
- Freedom Capital Management Corporation
- Freedom Equity Style Fund
- INTECH Large Cap Growth Equity Fund
- LSV Asset Management

International Equity

- Arrowstreet Capital, L.P.
- Freedom International Fund

Fixed Income

- Income Research & Management
- SSgA Passive Bond Market Index SL Fund

International Fixed Income

- Delaware Pooled Trust Global Fixed Income Portfolio

Real Estate

- BlackRock Apartment Value Fund II, L.P.
- Hancock ForesTree IV & V, L.P.
- Henderson Real Estate Investors (RESA)
- L&B Realty Investment Program
- Metric Apartment Co-Investment Trust Fund (MAC Trust)
- New Boston Institutional Fund, L.P. VI
- RREEF America REIT II
- SSgA Tuckerman, Multi-Family Development Program II

- SSgA Tuckerman, Residential Income and Value Added (RIVA) Fund
- TA Realty Associates Fund VII

Alternative Investments

- Charles River Partnership VII, VIII, IX, X, XI
- DN Partners, L.P.
- New England Growth Fund II, L.P.
- Senior Tour Players Fund I

Consultant

- CRA RogersCasey

Custodian

- Investors Bank & Trust

BROCKTON

15 Christy's Drive, Suite 2, Brockton, MA 02301-1813

Phone 508-580-7847

Fax 508-559-0559

Board Meeting

Usually a day in last two weeks of month

Board Members

William G. Harris (Chairperson), William R. Farmer, William A. Gildea, William E. Parlow, Aldo E. Petronio

Board Administrator

Harold P. Hanna, Jr.

ACTUARIAL

Funded Ratio 57.9%

Date of Last Valuation 1/04

Actuary Mellon

Assumed Rate of Return 8.00%

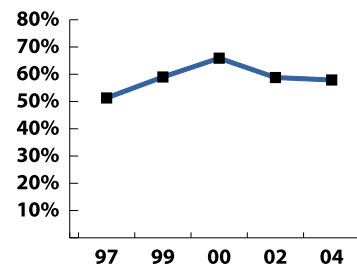
Funding Schedule Increasing 2.5%

Year Fully Funded 2020

Active Members 1,809

Retired Members 1,218

Funded Ratio



INVESTMENT

2004 Return 13.99%

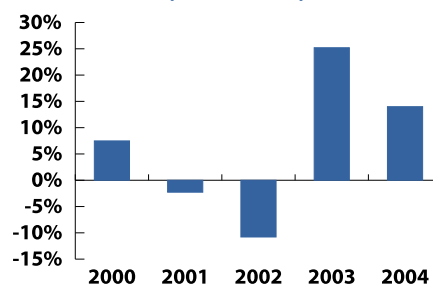
2004 Target Return 9.00%

2004 Market Value \$234.1M

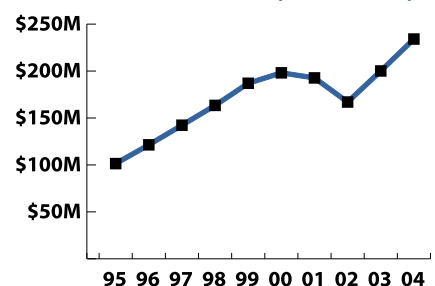
2000-2004 Return (Annualized) 5.99%

1985-2004 Return (Annualized) 10.67%

Investment Return (2000 - 2004)



Asset Growth - Market Value (1995 - 2004)



INVESTMENT VENDORS

Domestic Equity

- Aeltus Investment Management
- Boston Company Asset Management
- Earnest Partners, LLC
- FA Asset Management
- Freedom Capital Management Corporation
- ICON Advisers, Inc.
- Independence Investments, LLC
- Los Angeles Capital Management and Equity Research, Inc.
- Loomis, Sayles & Company, L.P.
- MFS Institutional Advisors, Inc.

International Equity

- Acadian International Small Cap Fund, LLC
- Boston Company Emerging Markets Pooled Fund
- Charlesbank Equity Fund V
- Freedom International Fund

International Fixed Income

- Delaware Pooled Trust International Fixed Income Portfolio

Real Estate

- BlackRock Apartment Value Fund II, L.P.
- Duff & Phelps Real Estate Securities Trust
- Intercontinental Real Estate Investment Fund IV, LLC
- L&B Property Fund IV
- New Boston Institutional Fund, L.P. VI
- SSgA Tuckerman-Residential Income and Value-Added (RIVA) Fund
- TA Realty Associates Fund VI

Alternative Investments

- Ascent Venture Partners II, III, IV L.P.
- Boston Capital Ventures II & III
- First America Asia Fund I LLC
- HealthPoint Partners, L.P.
- INVESCO Non-U.S. Partnership Fund III, L.P.
- New England Growth Fund II, L.P.

- Watermill Ventures Private Equity Fund, L.P.

Commission Recapture

- Bank of New York Brokerage, Inc.
- Fleet Institutional Trading
- Trading Partners

Consultant

- Wainwright Investment Counsel, LLC

Custodian

- State Street

BROOKLINE

Town Hall, 333 Washington Street, Brookline, MA 02445

Phone 617-730-2028

Fax 617-730-2298

Board Meeting Varies

Board Members James J. Riley (Chairperson), Gary Altman, Stephanie E. Cirillo, Joseph P. Duffy, Judith A. Haupin

Board Administrator Frank J. Zecha

ACTUARIAL

Funded Ratio 66.7%

Date of Last Valuation 1/04

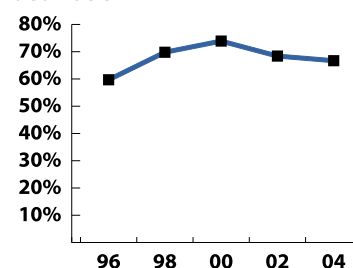
Actuary Mellon

Assumed Rate of Return 8.25%

Funding Schedule Increasing 3.5%
Year Fully Funded 2023

Active Members 1,420
Retired Members 811

Funded Ratio



INVESTMENT

2004 Return 11.14%

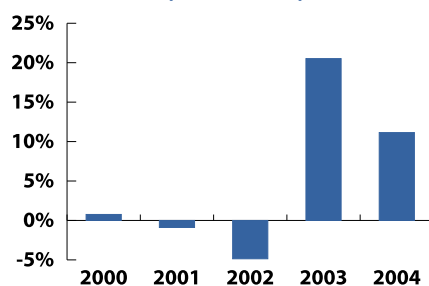
2004 Target Return 8.25%

2004 Market Value \$195.4M

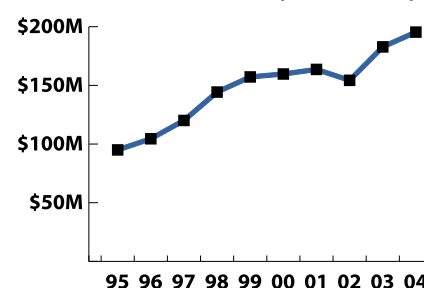
2000-2004 Return (Annualized) 4.94%

1985-2004 Return (Annualized) 10.40%

Investment Return (2000 - 2004)



Asset Growth - Market Value (1995 - 2004)



INVESTMENT VENDORS

Domestic Equity

- SSgA S&P 500 Flagship Fund
- T. Rowe Price Small Cap Stock Fund

International Equity

- Boston Company International Equity Fund

Fixed Income

- BlackRock Capital Management
- Loomis Sayles Institutional High Income Fund

Real Estate

- Bailard, Biehl & Kaiser REIT Fund

Alternative Investments

- HarbourVest Partners VII - Buyout Partnership Fund L.P.
- HarbourVest Partners VII - Mezzanine Fund L.P.
- HarbourVest Partners VII - Venture Fund L.P.
- INVESCO Non-U.S. Partnership Fund III, L.P.
- INVESCO U.S. Buyout & Expansion Capital Partnership Fund III, L.P.

- INVESCO Venture Partnership Fund III, L.P.

Core

- PRIT

Consultant

- Meketa Investment Group

Custodian

- State Street

CAMBRIDGE

255 Bent Street, 3rd Floor, Cambridge, MA 02141

Phone 617-868-3401

Fax 617-868-3477

Board Meeting First Wednesday of every month

Board Members Bradford P. Tenney (Chairperson), Daniel Crane, Michael P. Gardner, James H. Monagle, Sheila M. Tobin

Board Administrator Anne C. Leduc

ACTUARIAL

Funded Ratio 86.9%

Date of Last Valuation 1/04

Actuary Segal

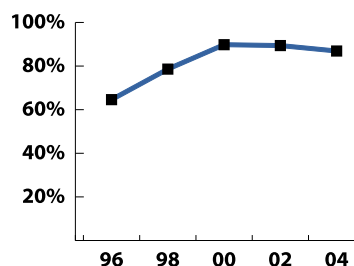
Assumed Rate of Return 8.50%

Funding Schedule Increasing 2.5%*
Year Fully Funded 2013

Active Members 3,825
Retired Members 1,746

**Total appropriation increases 2.5% per year*

Funded Ratio



INVESTMENT

2004 Return 9.62%

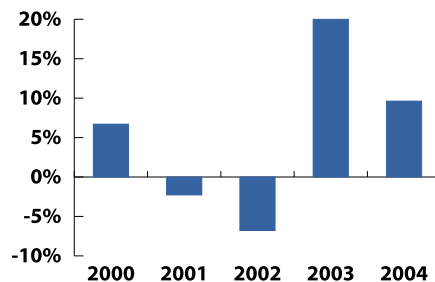
2004 Target Return 9.50%

2004 Market Value \$578.1M

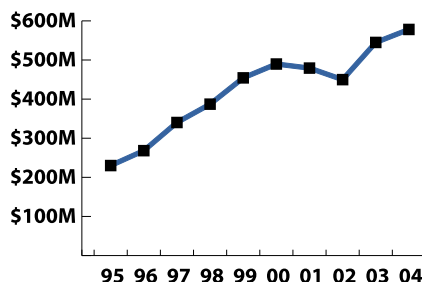
2000-2004 Return (Annualized) 5.04%

1985-2004 Return (Annualized) 10.83%

Investment Return (2000 - 2004)



Asset Growth - Market Value (1995 - 2004)



INVESTMENT VENDORS

Domestic Equity

- Columbia Management Group, Inc.
- Constitution Research & Management, Inc.
- Freedom Equity Style Fund
- Gabelli Asset Management Company
- Loomis Sayles Mid Cap Growth Fund
- Marvin & Palmer Associates, Inc.
- MFS Institutional Advisors, Inc.
- SSgA S&P 500 Flagship Fund

International Equity

- Bank of Ireland Asset Mgmt SAF International Equity Sub Trust
- Freedom International Fund

Fixed Income

- Fidelity Broad Market Duration Portfolio
- Income Research & Management
- MacKay-Shields Financial Corporation

Real Estate

- Carey Corporate Properties Associates Fund 15
- Hancock ForesTree V Fund
- UBS Real Estate Separate Account (RESA)

Alternative Investments

- Ascent Venture Partners II, III, IV L.P.
- Charles River Partnership VII & VIII

- Merrill Lynch Diversified Private Equity Program II

Commission Recapture

- Lynch, Jones & Ryan

Consultant

- Segal Advisors

Custodian

- State Street

CHELSEA

City Hall, Room 214, 500 Broadway, Chelsea, MA 02150

Phone 617-889-8307 and 8308 **Fax** 617-889-8289

Board Meeting Generally last Thursday of each month at 10:00 am

Board Members Joseph M. Siewko (Chairperson), Thomas J. Durkin, Leo B. Graves, Richard A. Incerto, Carolyn M. Russo

Board Administrator David Pickering

ACTUARIAL

Funded Ratio 38.8%

Date of Last Valuation 1/03

Actuary PERAC

Assumed Rate of Return 8.25%

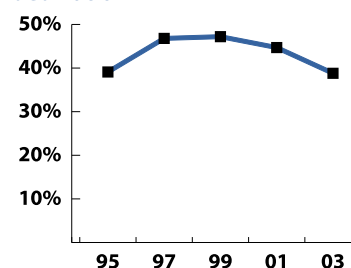
Funding Schedule Increasing 4.5%

Year Fully Funded 2028

Active Members 672

Retired Members 401

Funded Ratio



INVESTMENT

2004 Return 12.64%

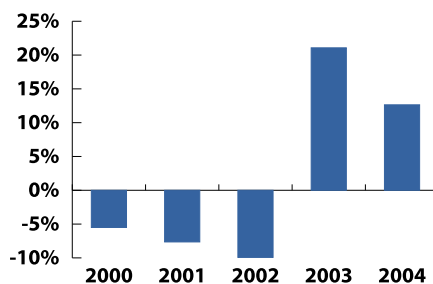
2004 Target Return 8.25%

2004 Market Value \$46.4M

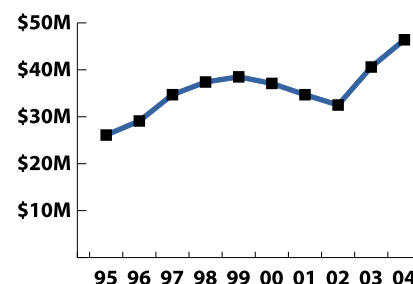
**2000-2004 Return
(Annualized)** 1.40%

**1985-2004 Return
(Annualized)** 8.71%

Investment Return (2000 - 2004)



Asset Growth - Market Value (1995 - 2004)



INVESTMENT VENDORS

Domestic Equity

- Atlanta Capital Management Company, LLC
- RhumbLine S&P 500 Pooled Index Fund
- Wellington Trust Co.-CIF II Enhanced Index US Intersection Fund

International Equity

- GMO International Intrinsic Value Fund
- Walter Scott International Fund, LLC

Fixed Income

- Banc One Bond Fund
- PIMCO Total Return Fund

Real Estate

- PRIT

Consultant

- CRA RogersCasey

Custodian

- Investors Bank & Trust

CHICOPEE

City Hall, Market Square, Chicopee, MA 01013-2685

Phone 413-594-1542

Fax 413-594-1544

Board Meeting Second Thursday of each month at 2:00 pm

Board Members Maxwell S. Mackechnie (Chairperson), Debra Boronski, James R. Montcalm, Timothy O'Shea, Sharyn A. Riley

Board Administrator Susana Baltazar

ACTUARIAL

Funded Ratio 58.5%

Date of Last Valuation 1/04

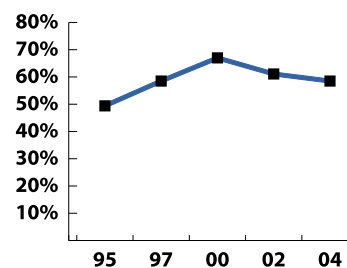
Actuary PERAC

Assumed Rate of Return 8.00%

Funding Schedule Increasing 4.5%
Year Fully Funded 2019

Active Members 1,157
Retired Members 872

Funded Ratio



INVESTMENT

2004 Return 10.13%

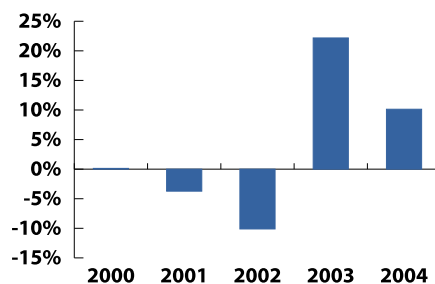
2004 Target Return 9.00%

2004 Market Value \$119.2M

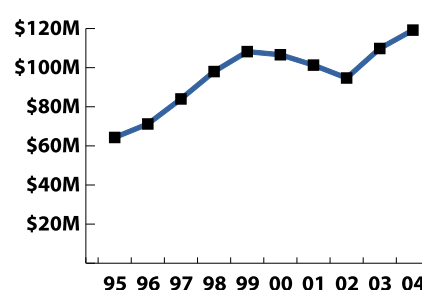
2000-2004 Return (Annualized) 3.12%

1985-2004 Return (Annualized) 9.69%

Investment Return (2000 - 2004)



Asset Growth - Market Value (1995 - 2004)



INVESTMENT VENDORS

Domestic Equity

- Ark Asset Management Company, Inc.
- Earnest Partners, LLC
- Freedom Capital Management Corporation
- Freedom Equity Style Fund
- Freedom Large Cap Value Fund
- Freedom Style Weighted Concentrated Fund
- SSgA Russell 2000 Growth Index Fund
- SSR Small Cap Group Trust

International Equity

- Boston Company International Equity Fund

- Fidelity International Growth
Commingled Pool

Fixed Income

- Freedom Core Plus Fixed Income Fund

Real Estate

- BlackRock Apartment Value Fund II, L.P.
- PRIT

Consultant

- Segal Advisors

Custodian

- Investors Bank & Trust

CLINTON

242 Church Street, Clinton, MA 01510

Phone 978-365-4118

Fax 978-365-4130

Board Meeting Generally the last Tuesday of each month at 4:30 pm

Board Members Paul B. Cherubini (Chairperson), Michael P. DiGisi, George T. Kittredge, Diane Magliozzi, John M. McNamara

Board Administrator Mary L. Harding

ACTUARIAL

Funded Ratio 56.5%

Date of Last Valuation 1/03

Actuary PERAC

Assumed Rate of Return 8.25%

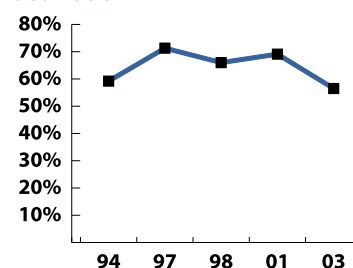
Funding Schedule Increasing 4.5%

Year Fully Funded 2028

Active Members 228

Retired Members 99

Funded Ratio



INVESTMENT

2004 Return 14.56%

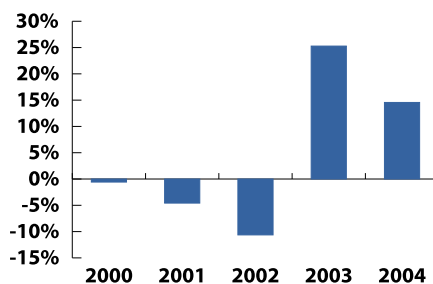
2004 Target Return 8.44%

2004 Market Value \$19.9M

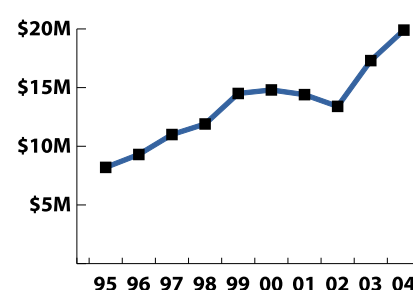
**2000-2004 Return
(Annualized)** 4.00%

**1985-2004 Return
(Annualized)** 8.87%

Investment Return (2000 - 2004)



Asset Growth - Market Value (1995 - 2004)



INVESTMENT VENDORS

Domestic Equity

- SSgA Large Cap Value Strategy Fund
- SSgA S&P 500 Flagship Fund
- SSgA Small Cap Growth Opportunities Fund

International Equity

- SSgA Daily International Alpha Securities Lending Fund

Fixed Income

- SSgA Bond Market Fund
- SSgA Treasury Inflation Protected Securities (TIPS) Fund

Real Estate

- SSgA Active REIT Fund

Consultant

- Trust Advisory Group, Ltd.

Custodian

- State Street

CONCORD

P. O. Box 535, 22 Monument Square, Concord, MA 01742-0535

Phone 978-318-3068

Fax 978-318-3093

Board Meeting Last Tuesday of each month

Board Members Peter J. Fulton (Chairperson), Anthony T. Logalbo, Arnold Roth, Cheryl A. Smith, Brian J. Whitney

Board Administrator Karen Manchuso

ACTUARIAL

Funded Ratio 82.4%

Date of Last Valuation 1/04

Actuary Stone

Assumed Rate of Return 7.75%

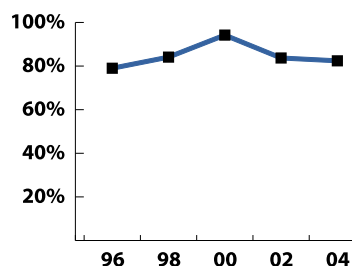
Funding Schedule Level

Year Fully Funded 2016

Active Members 438

Retired Members 252

Funded Ratio



INVESTMENT

2004 Return 10.43%

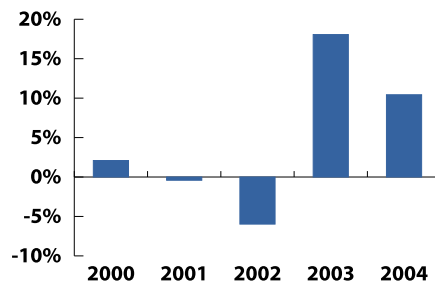
2004 Target Return 7.00%

2004 Market Value \$69.9M

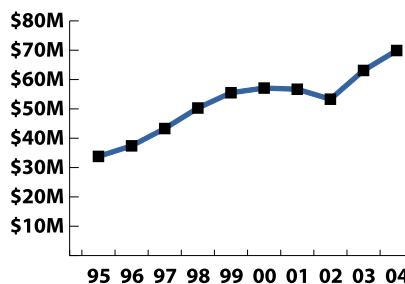
**2000-2004 Return
(Annualized)** 4.50%

**1985-2004 Return
(Annualized)** 9.76%

Investment Return (2000 - 2004)



Asset Growth - Market Value (1995 - 2004)



INVESTMENT VENDORS

Domestic Equity

- Columbia Disciplined Value Fund
- Frank Russell Equity I Fund

International Equity

- Frank Russell International Fund

Fixed Income

- Columbia Management Group, Inc.

Balanced Fund

- Frank Russell Tactical Asset Allocation Fund

Core

- PRIT

Custodian

- Bank of America

DANVERS

Town Hall, Sylvan Street, Danvers, MA 01923

Phone 978-777-0001, Ext. 3044

Fax 978-762-0264

Board Meeting Last Wednesday of each month at 3:00 pm

Board Members Leonard A. Marshall (Chairperson), Robert J. Cyr, Dana M. Hagan, Charles Levasseur, Wayne P. Marquis

Board Administrator Leonard A. Marshall

ACTUARIAL

Funded Ratio 74.8%

Date of Last Valuation 1/03

Actuary Mellon

Assumed Rate of Return 8.00%

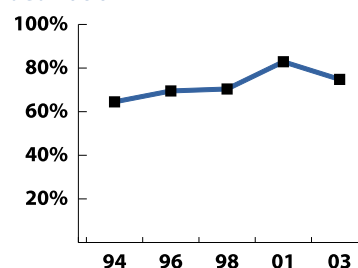
Funding Schedule Level

Year Fully Funded 2024

Active Members 432

Retired Members 412

Funded Ratio



INVESTMENT

2004 Return 9.05%

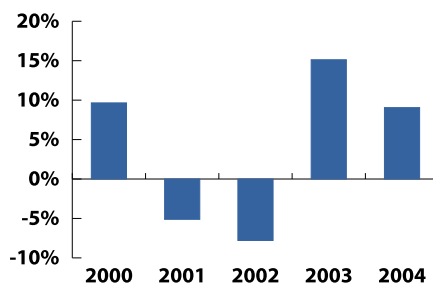
2004 Target Return 9.00%

2004 Market Value \$72.4M

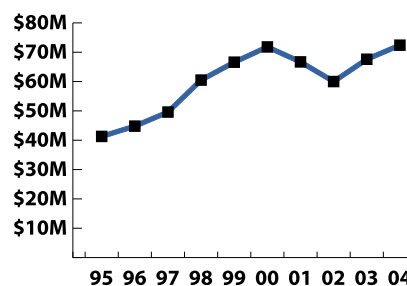
**2000-2004 Return
(Annualized)** 3.79%

**1985-2004 Return
(Annualized)** 9.35%

Investment Return (2000 - 2004)



Asset Growth - Market Value (1995 - 2004)



INVESTMENT VENDORS

Domestic Equity

- Congress Asset Management

International Equity

- GlobeFlex International Small Cap Equity Fund

Consultant

- Morgan Stanley DW Inc.

Custodian

- State Street

DEDHAM

260 Milton Street, Suite 104, Dedham, MA 02026

Phone 781-326-7693

Fax 781-329-4123

Board Meeting Third Wednesday of each month

Board Members June Rosado (Chairperson), John W. Fontaine, Jr., John Maloney, Mariellen Murphy, Ronald J. Pucci

Board Administrator Lynn M. Carley

ACTUARIAL

Funded Ratio 75.0%

Date of Last Valuation 1/04

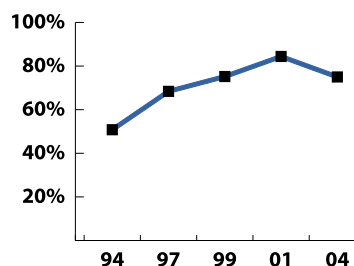
Actuary Stone

Assumed Rate of Return 8.00%

Funding Schedule Level
Year Fully Funded 2020

Active Members 395
Retired Members 291

Funded Ratio



INVESTMENT

2004 Return 14.43%

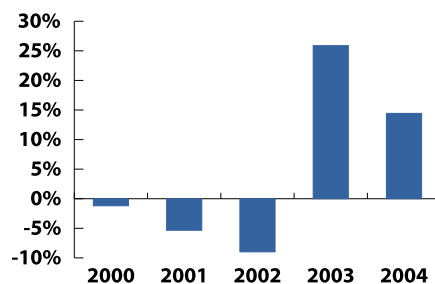
2004 Target Return 8.12%

2004 Market Value \$68.5M

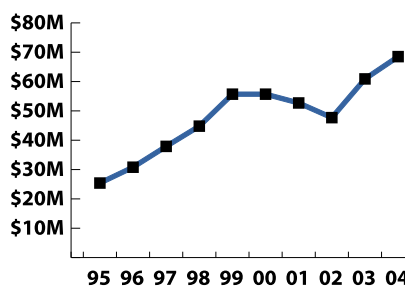
2000-2004 Return (Annualized) 4.17%

1985-2004 Return (Annualized) 11.10%

Investment Return (2000 - 2004)



Asset Growth - Market Value (1995 - 2004)



INVESTMENT VENDOR

- PRIT

DUKES COUNTY

RR 1, Box 862, Vineyard Haven, MA 02568

Phone 508-696-3846

Fax 508-696-3847

Board Meeting First Tuesday of each month

Board Members Noreen Mavro Flanders (Chairperson), Jeffrey S. Manter, Shirley Searle, Roger Wey, Sharon Willoughby

Board Administrator Kelly McCracken

ACTUARIAL

Funded Ratio 58.7%

Date of Last Valuation 1/03

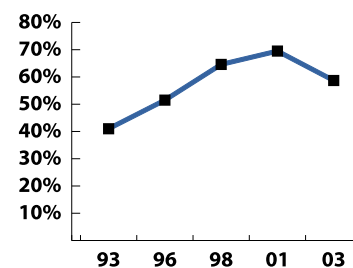
Actuary Buck

Assumed Rate of Return 7.75%

Funding Schedule Increasing 4.5%
Year Fully Funded 2023

Active Members 612
Retired Members 196

Funded Ratio



INVESTMENT

2004 Return 9.83%

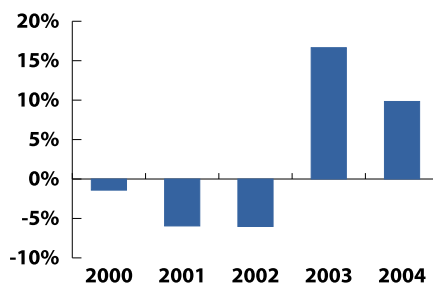
2004 Target Return 9.00%

2004 Market Value \$41.9M

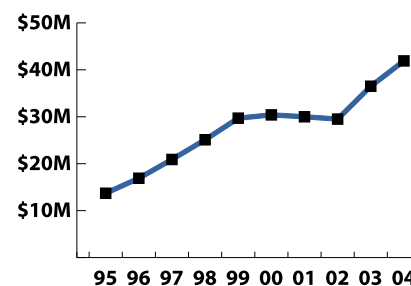
2000-2004 Return (Annualized) 2.23%

1985-2004 Return (Annualized) 8.15%

Investment Return (2000 - 2004)



Asset Growth - Market Value (1995 - 2004)



INVESTMENT VENDORS

Domestic Equity

- Buckhead Capital Management, LLC
- SSgA S&P 500 Tobacco Free Fund

Custodian

- State Street

International Equity

- PRIT

Fixed Income

- SSgA Passive Bond Market Index SL Fund

Real Estate

- PRIT

Consultant

- Dahab Associates

EASTHAMPTON

50 Payson Avenue, Suite 135, Easthampton, MA 01027-2267

Phone 413-529-1412

Fax 413-529-1467

Board Meeting Fourth Monday of each month

Board Members James P. Dunham (Chairperson), Russell Gilardi, Denise E. Gross, Richard P. Gwinner, Joanne E. Santaniello

Board Administrator Heather Schrauben

ACTUARIAL

Funded Ratio 54.5%

Date of Last Valuation 1/04

Actuary PERAC

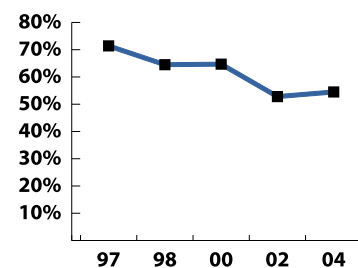
Assumed Rate of Return 8.00%

Funding Schedule Increasing 4.5%
Year Fully Funded 2028

Active Members 231

Retired Members 124

Funded Ratio



INVESTMENT

2004 Return 14.62%

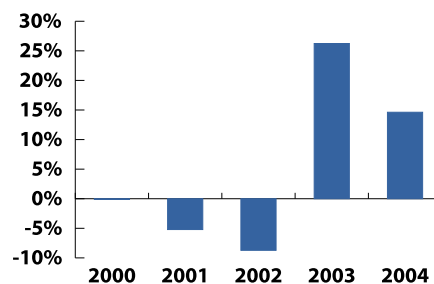
2004 Target Return 8.12%

2004 Market Value \$21.1M

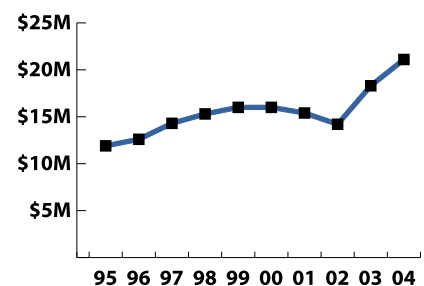
2000-2004 Return (Annualized) 4.57%

1985-2004 Return (Annualized) 9.13%

Investment Return (2000 - 2004)



Asset Growth - Market Value (1995 - 2004)



INVESTMENT VENDOR

- PRIT

ESSEX REGIONAL

491 Maple Street, Suite 202, Danvers, MA 01923-4023

Phone 978-739-9151

Fax 978-750-0745

Board Meeting Generally the last Wednesday of each month

Board Members Timothy A. Bassett (Chairperson), James D. Cashman, William P. Martineau, Glenn C. Morse, Katherine O'Leary

Board Administrator Cynthia Sweeney

ACTUARIAL

Funded Ratio 68.9%

Date of Last Valuation 1/04

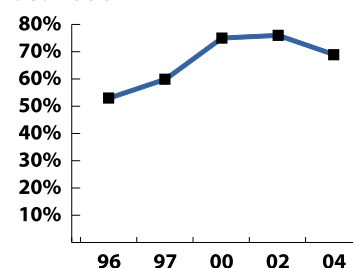
Actuary Segal

Assumed Rate of Return 8.50%

Funding Schedule Increasing 4.5%
Year Fully Funded 2028

Active Members 3,035
Retired Members 1,498

Funded Ratio



INVESTMENT

2004 Return 9.51%

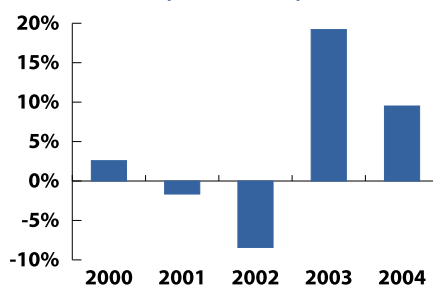
2004 Target Return 9.50%

2004 Market Value \$229.6M

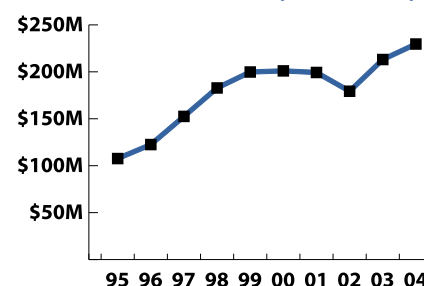
2000-2004 Return (Annualized) 3.82%

1985-2004 Return (Annualized) 10.31%

Investment Return (2000 - 2004)



Asset Growth - Market Value (1995 - 2004)



INVESTMENT VENDORS

Domestic Equity

- Babson Capital Management LLC
- Daruma Asset Management, Inc.
- Freedom Equity Style Fund
- Freedom Large Cap Growth Fund
- Freedom Large Cap Value Fund
- Freedom Style Weighted Concentrated Fund
- Wellington Trust Co-CIF Research Equity Portfolio

International Equity

- Bank of Ireland Asset Mgmt SAF International Equity Sub Trust
- Wellington Trust Co-CIF International

Growth Portfolio

Fixed Income

- FMA High Yield Capital Appreciation Limited Partnership
- Freedom Capital Management Corporation

Real Estate

- BlackRock Apartment Value Fund II, L.P.
- Intercontinental Real Estate Investment Fund III, LLC
- L&B Realty Investment Program
- MetLife Tower Fund
- Sentinel Realty Partners IV

Alternative Investments

- Ascent Venture Partners III & IV, L.P.
- Boston Millennia Partners, L.P.
- Boston Millennia Partners II, L.P.
- Levine Leichtman Capital Partners III, L.P.
- MTDC Commonwealth Fund Investment Program II
- MTDC Heritage Fund

Consultant

- Segal Advisors

Custodian

- State Street

EVERETT

City Hall, 484 Broadway, Everett, MA 02149

Phone 617-394-2310

Fax 617-381-7016

Board Meeting Last Wednesday of the month at 9:00 am

Board Members Ronald V. D'Onofrio (Chairperson), Frank Coppola, Frank Mastrocola, William Pierce, William Pietrantonio

Board Administrator Robert Shaw

ACTUARIAL

Funded Ratio 39.4%

Date of Last Valuation 1/04

Actuary Mellon

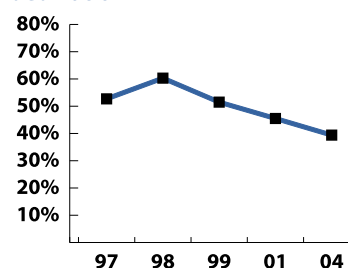
Assumed Rate of Return 8.50%

Funding Schedule Increasing 4.5%
Year Fully Funded 2027

Active Members 520

Retired Members 633

Funded Ratio



INVESTMENT

2004 Return 9.16%

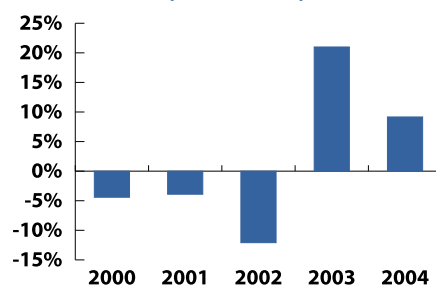
2004 Target Return 8.50%

2004 Market Value \$45.7M

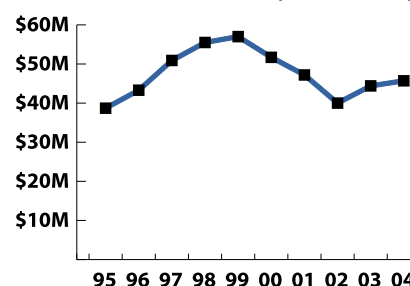
2000-2004 Return (Annualized) 1.30%

1985-2004 Return (Annualized) 9.51%

Investment Return (2000 - 2004)



Asset Growth - Market Value (1995 - 2004)



INVESTMENT VENDORS

Domestic Equity

- Pioneer Investment Management, Inc.
- RhumbLine S&P 500 Pooled Index Fund
- RhumbLine S&P Mid-Cap 400 Pooled Index Fund
- RhumbLine S&P Small Cap Pooled Index Fund

International Equity

- SSgA International Alpha Strategy Fund
- SSgA MSCI-EAFE Strategy Fund

Fixed Income

- SSgA Bond Market Fund
- SSgA Treasury Inflation Protected Securities (TIPS) Fund

Real Estate

- SSgA Active REIT Fund

Alternative Investments

- New England Growth Fund I & II, L.P.

Custodian

- State Street

FAIRHAVEN

Town Hall, 40 Centre Street, Fairhaven, MA 02719

Phone 508-979-4020

Fax 508-993-9486

Board Meeting Fourth Monday of each month at 9:00 am

Board Members Andrew J. Martin (Chairperson), Bernice A. Alves, Anne M. Carreiro, Earl M. Faunce, Christine Tetreault

Board Administrator Claudette Souza

ACTUARIAL

Funded Ratio 67.4%

Date of Last Valuation 1/02

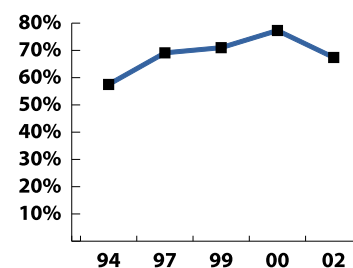
Actuary Stone

Assumed Rate of Return 8.00%

Funding Schedule Increasing 4.5%
Year Fully Funded 2019

Active Members 287
Retired Members 145

Funded Ratio



INVESTMENT

2004 Return 14.39%

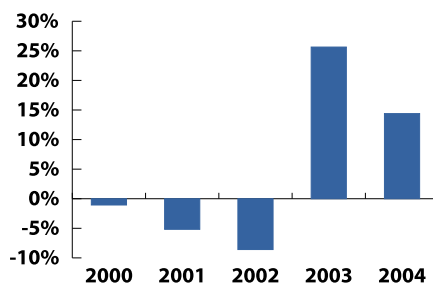
2004 Target Return 8.12%

2004 Market Value \$27.3M

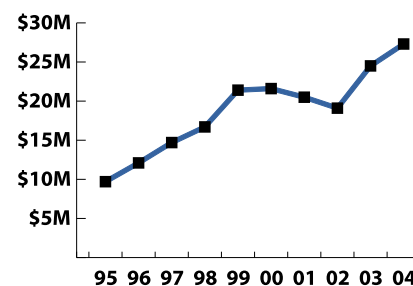
2000-2004 Return (Annualized) 4.27%

1985-2004 Return (Annualized) 10.80%

Investment Return (2000 - 2004)



Asset Growth - Market Value (1995 - 2004)



INVESTMENT VENDOR

- PRIT

FALL RIVER

One Government Center, Room 324, Fall River, MA 02722

Phone 508-324-2310

Fax 508-324-2314

Board Meeting Varies

Board Members Joseph C. Almeida (Chairperson), Anthony F. Cordeiro, Douglas Fiore, David Machado, Arthur Viana

Board Administrator Christine Tetreault

ACTUARIAL

Funded Ratio 59.6%

Date of Last Valuation 1/04

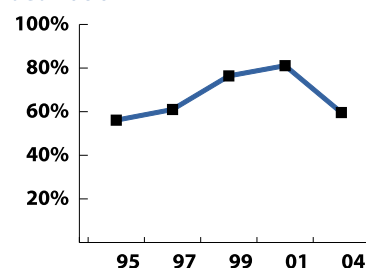
Actuary PERAC

Assumed Rate of Return 8.25%

Funding Schedule Level
Year Fully Funded 2023

Active Members 1,837
Retired Members 1,502

Funded Ratio



INVESTMENT

2004 Return 8.10%

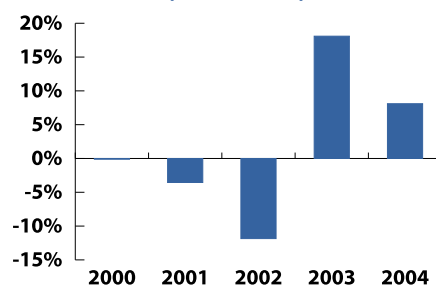
2004 Target Return 8.75%

2004 Market Value \$200.4M

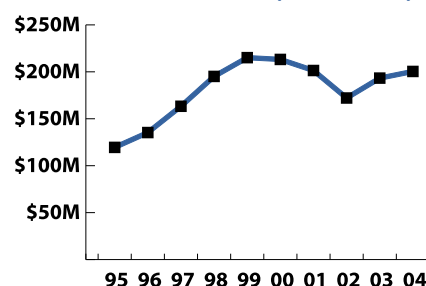
2000-2004 Return (Annualized) 1.63%

1985-2004 Return (Annualized) 9.92%

Investment Return (2000 - 2004)



Asset Growth - Market Value (1995 - 2004)



INVESTMENT VENDORS

Domestic Equity

- Freedom Capital Management Corporation
- Freedom Equity Style Fund
- Freedom Style-Weighted Concentrated Fund
- RhumbLine Russell 1000 Pooled Index Fund
- RhumbLine S&P Small Cap Pooled Index Fund

International Equity

- Boston Company International Equity Fund

Fixed Income

- Freedom Core Plus Fixed Income Fund
- SSgA Passive Bond Market Index SL Fund

Consultant

- Meketa Investment Group

Custodian

- Investors Bank & Trust

FALMOUTH

744 Main Street, Falmouth, MA 02540

Phone 508-457-0578

Fax 508-540-9962

Board Meeting Varies

Board Members Paul D. Brodeur (Chairperson), Mary Ellen Alwardt, Robert Shann, Robert Whritenour

Board Administrator Ellen Philbin

ACTUARIAL

Funded Ratio 66.4%

Date of Last Valuation 1/04

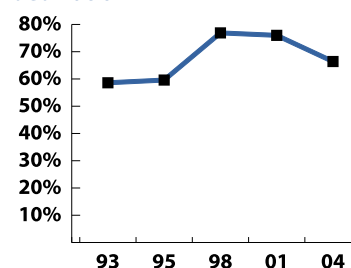
Actuary PERAC

Assumed Rate of Return 8.00%

Funding Schedule Increasing 4.5%
Year Fully Funded 2028

Active Members 622
Retired Members 302

Funded Ratio



INVESTMENT

2004 Return 10.43%

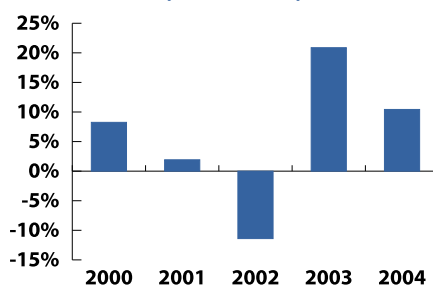
2004 Target Return 10.90%

2004 Market Value \$64.9M

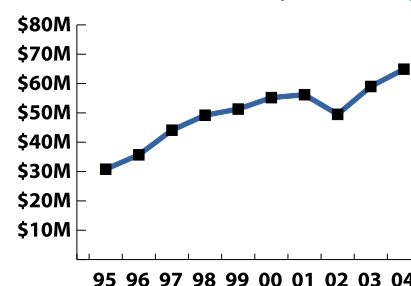
2000-2004 Return (Annualized) 5.46%

1985-2004 Return (Annualized) 10.56%

Investment Return (2000 - 2004)



Asset Growth - Market Value (1995 - 2004)



INVESTMENT VENDORS

Domestic Equity

- Delaware Investment Advisors
- Denver International Small Cap Equity Fund
- Earnest Partners, LLC
- Provident Investment Counsel

International Equity

- INVESCO IRT International Equity Fund

Fixed Income

- Freedom Capital Management Corporation

Real Estate

- Intercontinental Real Estate Investment Fund III, LLC
- Principal U.S. Property Account

Alternative Investments

- INVESCO Non-U.S. Partnership Fund III, L.P.
- INVESCO U.S. Buyout & Expansion Capital Partnership Fund III, L.P.
- INVESCO Venture Partnership Fund III, L.P.
- Lexington Capital Partners V, L.P.

Consultant

- Wainwright Investment Counsel, LLC

Custodian

- Investors Bank & Trust

FITCHBURG

City Hall, 718 Main Street, Fitchburg, MA 01420

Phone 978-345-9570

Fax 978-345-9698

Board Meeting Fourth Tuesday of each month at 10:00 am

Board Members Richard N. Sarasin (Chairperson), John C. Curran, Ellen M. Jerszyk, Norman J. LeBlanc, John R. Lombard

Board Administrator Diane G. Vieweg

ACTUARIAL

Funded Ratio 52.1%

Date of Last Valuation 1/04

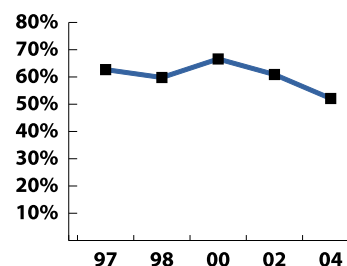
Actuary Stone

Assumed Rate of Return 8.0%

Funding Schedule Increasing 4.0%
Year Fully Funded 2028

Active Members 691
Retired Members 540

Funded Ratio



INVESTMENT

2004 Return 7.75%

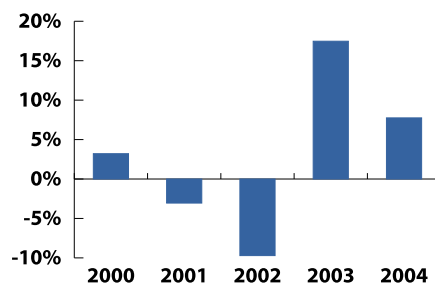
2004 Target Return 9.25%

2004 Market Value \$73.6M

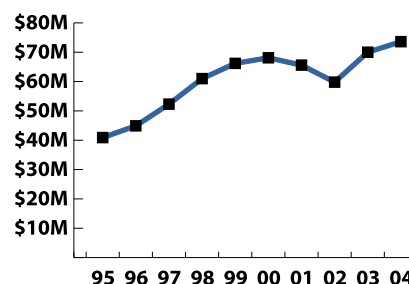
2000-2004 Return (Annualized) 2.72%

1985-2004 Return (Annualized) 8.83%

Investment Return (2000 - 2004)



Asset Growth - Market Value (1995 - 2004)



INVESTMENT VENDORS

Domestic Equity

- Dreyfus EB Core Small Cap Fund
- Wellington Trust Co.-CIF U.S. Core Equity Portfolio

International Equity

- INVESCO IRT International Equity Fund

Fixed Income

- Richmond Capital Management

Real Estate

- TA Realty Associates Fund VII

Consultant

- Segal Advisors

Custodian

- State Street

FRAMINGHAM

Memorial Building, 150 Concord Street, Room B-31, Framingham, MA 01702-8325

Phone 508-620-4830

Fax 508-628-1327

Board Meeting Varies

Board Members Richard C. Howarth, Jr. (Chairperson), Paul F. Barbieri, George P. King, Jr., Sidney W. Lebewohl, Peter J. Rovinelli

Board Administrator Barbara Theysohn

ACTUARIAL

Funded Ratio 67.3%

Date of Last Valuation 1/04

Actuary PERAC

Assumed Rate of Return 8.00%

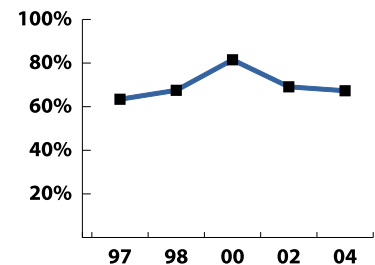
Funding Schedule Increasing 4.5%

Year Fully Funded 2028

Active Members 1,100

Retired Members 810

Funded Ratio



INVESTMENT

2004 Return 14.48%

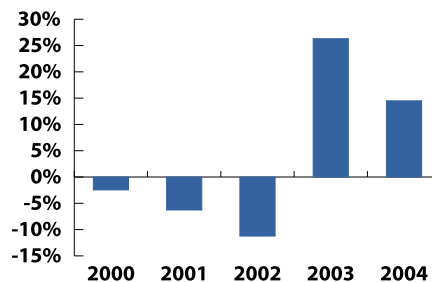
2004 Target Return 8.12%

2004 Market Value \$155.0M

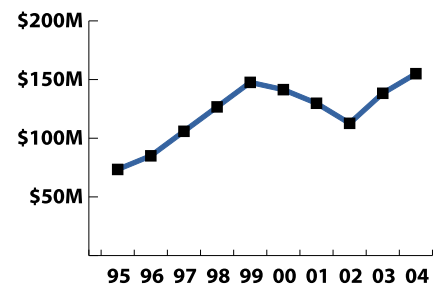
2000-2004 Return (Annualized) 3.25%

1985-2004 Return (Annualized) 10.74%

Investment Return (2000 - 2004)



Asset Growth - Market Value (1995 - 2004)



INVESTMENT VENDOR

- PRIT

FRANKLIN COUNTY

278 Main Street, Suite 311, Greenfield, MA 01301

Phone 413-774-4837

Fax 413-774-5677

Board Meeting Usually meets the last Thursday of each month

Board Members Patricia Auchard (Chairperson), David Gendron, Sandra Hanks, Paul Mokrzecki, Herbert Sanderson

Board Administrator Steven Wilson

ACTUARIAL

Funded Ratio 56.8%

Date of Last Valuation 1/03

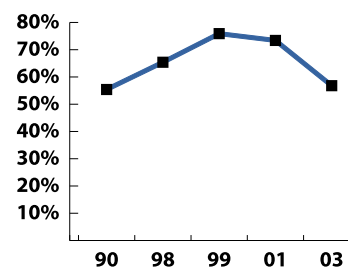
Actuary Stone

Assumed Rate of Return 8.00%

Funding Schedule Increasing 4.5%
Year Fully Funded 2028

Active Members 1,155
Retired Members 386

Funded Ratio



INVESTMENT

2004 Return 8.77%

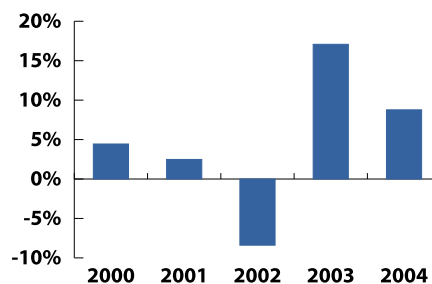
2004 Target Return 9.00%

2004 Market Value \$54.5M

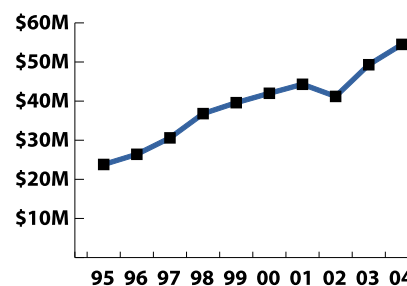
2000-2004 Return (Annualized) 4.54%

1985-2004 Return (Annualized) 9.26%

Investment Return (2000 - 2004)



Asset Growth - Market Value (1995 - 2004)



INVESTMENT VENDORS

Domestic Equity

- Daruma Asset Management, Inc.

Consultant

- Dahab Associates

International Equity

- PRIT

Custodian

- State Street

Fixed Income

- IR&M Core Bond Fund
- MetLife Grand Central Bond Fund

Real Estate

- PRIT
- Prudential Real Estate Investors (PRISA Fund)

GARDNER

City Hall, Room 17, 95 Pleasant Street, Gardner, MA 01440

Phone 978-630-4006

Fax 978-630-4012

Board Meeting Varies

Board Members Calvin D. Brooks (Chairperson), Charles E. Langlois, Jr., Kevin McNerney, Denise M. Merriam, John J. Wall, Jr.

Board Administrator Ruth A. LaFreniere

ACTUARIAL

Funded Ratio 55.9%

Date of Last Valuation 1/04

Actuary Stone

Assumed Rate of Return 8.00%

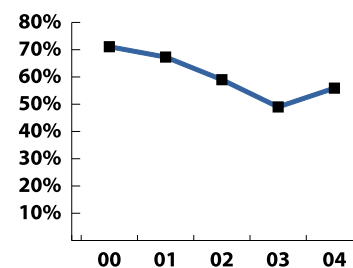
Funding Schedule Increasing 4.5%

Year Fully Funded 2028

Active Members 327

Retired Members 227

Funded Ratio



INVESTMENT

2004 Return 14.44%

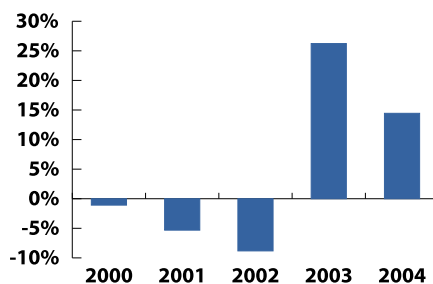
2004 Target Return 8.12%

2004 Market Value \$30.8M

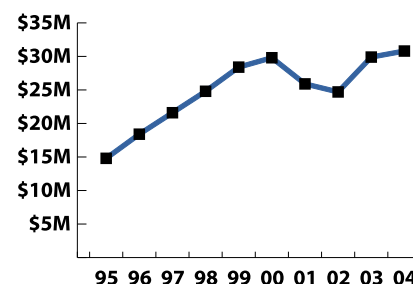
2000-2004 Return (Annualized) 4.29%

1985-2004 Return (Annualized) 10.95%

Investment Return (2000 - 2004)



Asset Growth - Market Value (1995 - 2004)



INVESTMENT VENDOR

- PRIT

GLOUCESTER

P. O. Box 114, Gloucester, MA 01931-0114

Phone 978-281-9744

Fax 978-281-9817

Board Meeting Generally the third Wednesday of each month

Board Members Douglas A. MacArthur (Chairperson), Cindy Brown, Linda L. Geary, Edward Hardy, Joseph T. Pratt

Board Administrator Linda L. Geary

ACTUARIAL

Funded Ratio 49.2%

Date of Last Valuation 1/04

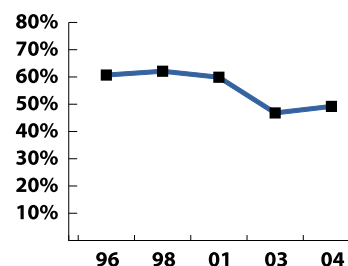
Actuary Stone

Assumed Rate of Return 8.25%

Funding Schedule Increasing 4.5%
Year Fully Funded 2028

Active Members 540
Retired Members 404

Funded Ratio



INVESTMENT

2004 Return 11.25%

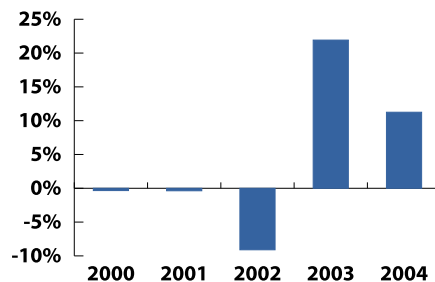
2004 Target Return 8.40%

2004 Market Value \$55.7M

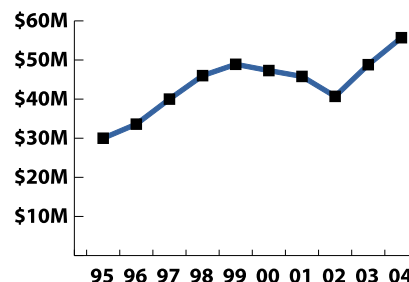
2000-2004 Return (Annualized) 4.13%

1985-2004 Return (Annualized) 10.50%

Investment Return (2000 - 2004)



Asset Growth - Market Value (1995 - 2004)



INVESTMENT VENDORS

Domestic Equity

- Freedom Capital Management Corporation
- INTECH Large Cap Growth Equity Fund
- Wellington Trust Co.-CIF Mid Cap Growth Portfolio

International Equity

- INVESCO IRT International Equity Fund

Fixed Income

- Atlantic Asset Management High Yield Total Return Trust
- PIMCO Total Return Fund II

Real Estate

- PRIT

Balanced Fund

- Mellon EB Asset Allocation Fund

Consultant

- New England Pension Consultants

Custodian

- Investors Bank & Trust

GREATER LAWRENCE

P. O. Box 187, North Andover, MA 01845

Phone 978-689-9464

Fax 978-685-7790

Board Meeting Last Wednesday of the month at 5:00 pm

Board Members Mark Ford (Chairperson), Joyce Campagnone, Norman Cormier, Laurie Elliott, John Petkus

Board Administrator Patricia Kelley

ACTUARIAL

Funded Ratio 101.9%

Date of Last Valuation 1/03

Actuary PERAC

Assumed Rate of Return 8.00%

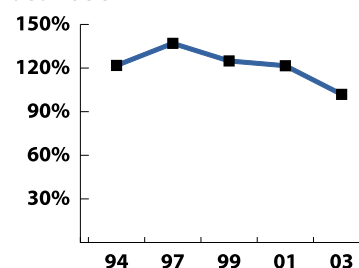
Funding Schedule Fully Funded

Year Fully Funded NA

Active Members 46

Retired Members 18

Funded Ratio



INVESTMENT

2004 Return 6.39%

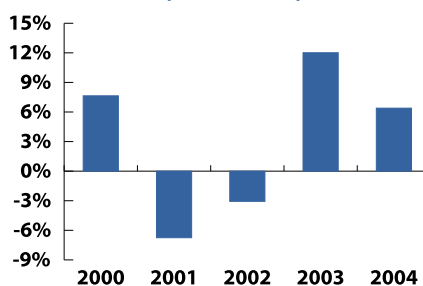
2004 Target Return 8.00%

2004 Market Value \$7.8M

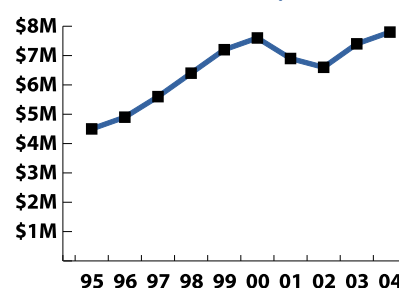
**2000-2004 Return
(Annualized)** 3.00%

**1985-2004 Return
(Annualized)** 8.08%

Investment Return (2000 - 2004)



Asset Growth - Market Value (1995 - 2004)



INVESTMENT VENDORS

Domestic Equity

- Beacon Fiduciary Advisors, Inc.

Fixed Income

- Beacon Fiduciary Advisors, Inc.

Custodian

- Bank of New York

GREENFIELD

Town Hall, 14 Court Square, Greenfield, MA 01301

Phone 413-772-1503

Fax 413-772-1582

Board Meeting Varies

Board Members William P. Devino (Chairperson), Dennis L. Helmus, Michael A. Kociela, Betty L. Rice, Frances K. Stotz

Board Administrator Marianne Fiske

ACTUARIAL

Funded Ratio 65.9%

Date of Last Valuation 1/03

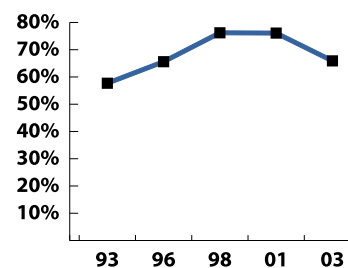
Actuary PERAC

Assumed Rate of Return 8.25%

Funding Schedule Increasing 4.5%
Year Fully Funded 2028

Active Members 385
Retired Members 210

Funded Ratio



INVESTMENT

2004 Return 10.46%

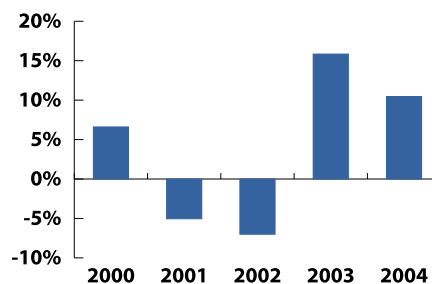
2004 Target Return 9.25%

2004 Market Value \$37.2M

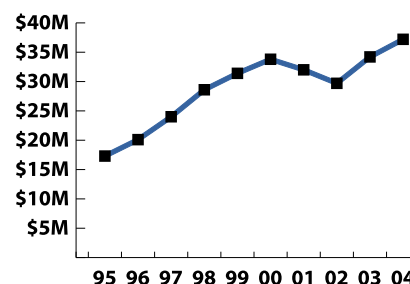
2000-2004 Return (Annualized) 3.79%

1985-2004 Return (Annualized) 9.72%

Investment Return (2000 - 2004)



Asset Growth - Market Value (1995 - 2004)



INVESTMENT VENDORS

Domestic Equity

- Dreyfus EB Core Small Cap Fund
- Victory Capital Management

International Equity

- SSgA Daily International Alpha Securities Lending Fund

Fixed Income

- Fidelity MTC Broad Market Duration Pool
- Fidelity MTC Core Plus Fund

Real Estate

- PRIT
- UBS Real Estate Separate Account (RESA)

Consultant

- Segal Advisors

Custodian

- State Street

HAMPDEN COUNTY REGIONAL

P. O. Box 559, 50 State Street, Springfield, MA 01102-0559

Phone 413-737-1344

Fax 413-732-7999

Board Meeting Usually second to last business day of each month

Board Members Richard M. Theroux (Chairperson), Patricia C. Donovan, Patrick O'Neil, Laurel Placzek, Karl Schmaelzle

Board Administrator Julianne Bartley

ACTUARIAL

Funded Ratio 63.6%

Date of Last Valuation 1/04

Actuary Mellon

Assumed Rate of Return 8.50%

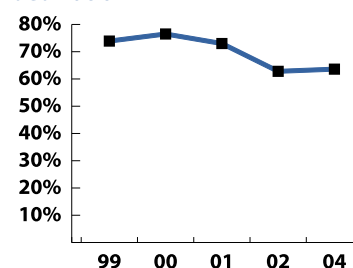
Funding Schedule Increasing 4.5%

Year Fully Funded 2024

Active Members 2,626

Retired Members 1,309

Funded Ratio



INVESTMENT

2004 Return 9.66%

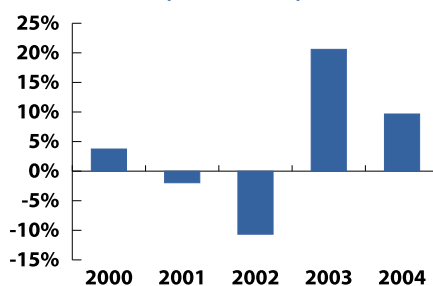
2004 Target Return 9.50%

2004 Market Value \$186.5M

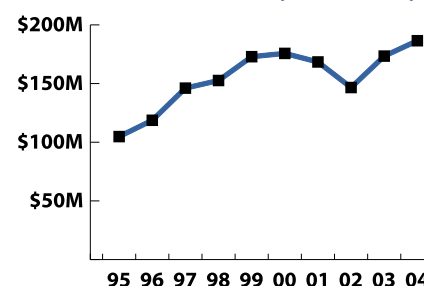
**2000-2004 Return
(Annualized)** 3.74%

**1985-2004 Return
(Annualized)** 10.24%

Investment Return (2000 - 2004)



Asset Growth - Market Value (1995 - 2004)



INVESTMENT VENDORS

Domestic Equity

- Dreyfus EB Core Small Cap Fund
- Freedom Capital Management Corporation
- Freedom Equity Style Fund
- Freedom Large Cap Growth Fund
- Freedom Large Cap Value Fund
- Freedom Style-Weighted Concentrated Fund

International Equity

- Brandes International Equity Trust

Fixed Income

- Barrow, Hanley, Mewhinney & Strauss, Inc.
- Wellington Trust Co.-CIF II Core Bond Plus Portfolio

Real Estate

- Fidelity Real Estate Growth Fund, L.P.
- New Boston Institutional Fund, L.P. VI
- PRIT

Alternative Investments

- INVESCO Non-U.S. Partnership Fund III, L.P.

- INVESCO U.S. Buyout & Expansion Capital Partnership Fund III, L.P.
- INVESCO Venture Partnership Fund III, L.P.
- Zero Stage Capital VII, L.P.

Consultant

- Segal Advisors

Custodian

- Investors Bank & Trust

HAMPSHIRE COUNTY

99 Industrial Drive, Suite 2, Northampton, MA 01060-2326

Phone 413-584-9100

Fax 413-587-9396

Board Meeting Varies

Board Members Patrick E. Brock (Chairperson), John J. Lillis, Edward R. Montleon, John B. Walsh, Joseph A. Wilhelm, III

Board Administrator Mary G. Baronas

ACTUARIAL

Funded Ratio 56.8%

Date of Last Valuation 1/04

Actuary Segal

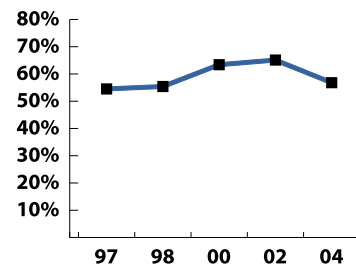
Assumed Rate of Return 8.00%

Funding Schedule Increasing 4.5%
Year Fully Funded 2028

Active Members 2,648

Retired Members 1,002

Funded Ratio



INVESTMENT

2004 Return 11.07%

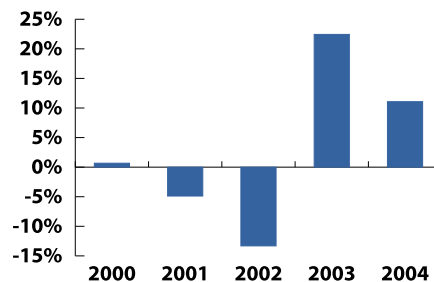
2004 Target Return 9.37%

2004 Market Value \$134.3M

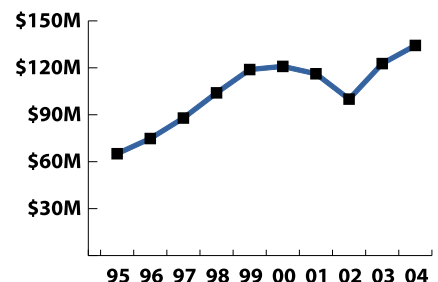
2000-2004 Return (Annualized) 2.45%

1985-2004 Return (Annualized) 9.48%

Investment Return (2000 - 2004)



Asset Growth - Market Value (1995 - 2004)



INVESTMENT VENDORS

Domestic Equity

- RhumbLine S&P 500 Pooled Index Fund
- Rice Hall James & Associates
- Wellington Trust Co.-CIF U.S. Research Equity Fund

International Equity

- Freedom International Fund
- MFS Institutional International Equity Fund

Fixed Income

- McDonnell Investment Management, LLC

Real Estate

- Duff & Phelps Real Estate Securities Trust
- Intercontinental Real Estate Investment Fund III, LLC
- L&B Property Fund IV
- PRIT
- Sentinel Realty Partners II

Alternative Investments

- Ascent Venture Partners III & IV, L.P.

Consultant

- CRA RogersCasey

Custodian

- State Street

HAVERHILL

4 Summer Street, Room 303, Haverhill, MA 01830

Phone 978-374-2358

Fax 978-374-2353

Board Meeting

Varies

Board Members

Vaughn E. Guertin (Chairperson), Charles Benevento, James P. Cleary, III, William J. Klueber, Donald J. Shea

Board Administrator

Kathleen Gallant

ACTUARIAL

Funded Ratio 61.9%

Date of Last Valuation 1/04

Actuary Segal

Assumed Rate of Return 8.50%

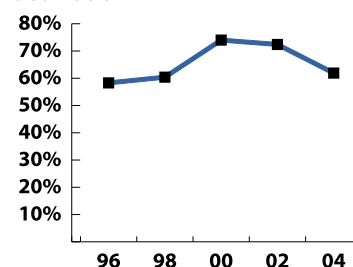
Funding Schedule Increasing 4.5%

Year Fully Funded 2028

Active Members 936

Retired Members 1,204

Funded Ratio



INVESTMENT

2004 Return 12.35%

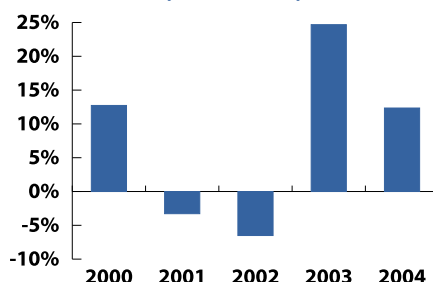
2004 Target Return 8.90%

2004 Market Value \$151.5M

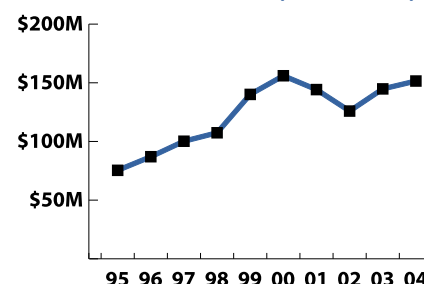
2000-2004 Return (Annualized) 7.38%

1985-2004 Return (Annualized) 11.88%

Investment Return (2000 - 2004)



Asset Growth - Market Value (1995 - 2004)



INVESTMENT VENDORS

Domestic Equity

- Columbia Management Group, Inc.
- Fisher Investments, Inc.
- Forstmann-Leff Associates
- Hutchens Investment Management, Inc.
- Independence Investments, LLC

International Equity

- INVESCO IRT International Equity Fund
- MFS Institutional International Equity Fund
- Wells Capital Management Emerging Markets Fund

Fixed Income

- Fox Asset Management
- Hartford Core Fixed Income Fund

International Fixed Income

- American Express Asset Management

Real Estate

- BlackRock Apartment Value Fund II, L.P.
- Geometry Real Estate LLC

- GFP Institutional Global Timber Investors VI Ltd.
- Intercontinental Real Estate Investment Fund III, LLC
- L&B Property Fund III
- L&B Property Fund IV
- Metric Apartment Co-Investment Trust Fund (MAC Trust)
- GFP-Timberland III L.L.C.
- GFP-World Timberfund L.L.C.

Alternative Investments

- Crescent Capital
- First America Asia Fund I
- New England Growth Fund I, L.P.
- North Bridge Venture Partners I
- North Bridge Venture Partners II, L.P.
- Novus Ventures II, L.P.
- Thomas H. Lee Equity Fund V, L.P.

Commission Recapture

- Rochdale Securities Corporation
- Trading Partners

Consultant

- Wainwright Investment Counsel, LLC

Custodian

- State Street

HINGHAM

210 Central Street, Hingham, MA 02043-2758

Phone 781-741-1478

Fax 781-741-1454

Board Meeting Fourth Thursday of each month at 3:30 pm

Board Members Ted C. Alexiades (Chairperson), Peter J. Blampied, Thomas P. Hall, Eileen A. McCracken, Jean M. Montgomery

Board Administrator Nancy M. Hutt

ACTUARIAL

Funded Ratio 70.8%

Date of Last Valuation 1/04

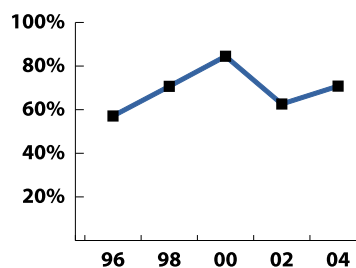
Actuary Mellon

Assumed Rate of Return 8.00%

Funding Schedule Increasing 4.5%
Year Fully Funded 2028

Active Members 490
Retired Members 246

Funded Ratio



INVESTMENT

2004 Return 14.25%

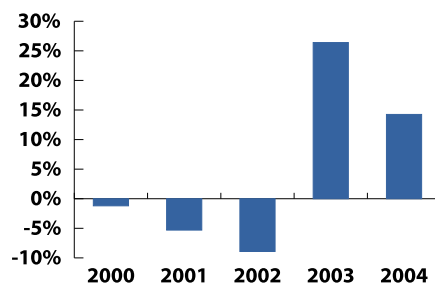
2004 Target Return 8.12%

2004 Market Value \$54.8M

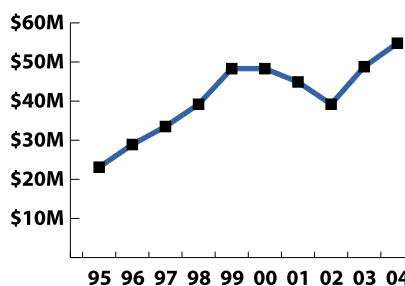
2000-2004 Return (Annualized) 4.24%

1985-2004 Return (Annualized) 10.72%

Investment Return (2000 - 2004)



Asset Growth - Market Value (1995 - 2004)



INVESTMENT VENDOR

- PRIT

HOLYOKE

20 Korean Veterans Plaza, Room 207, Holyoke, MA 01040

Phone 413-322-5590

Fax 413-322-5591

Board Meeting Second Tuesday of each month at 3:00 PM

Board Members Russell J. McNiff (Chairperson), Sal J. Canata, III, John T. McCarthy, Daniel R. Owens, Brian G. Smith

Board Administrator Daniel R. Owens

ACTUARIAL

Funded Ratio 67.8%

Date of Last Valuation 1/03

Actuary Buck

Assumed Rate of Return 8.25%

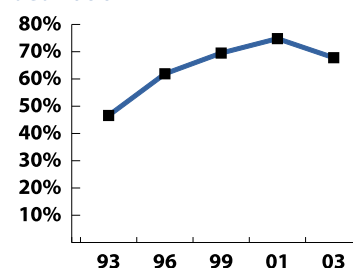
Funding Schedule Level

Year Fully Funded 2025

Active Members 1,429

Retired Members 875

Funded Ratio



INVESTMENT

2004 Return 9.23%

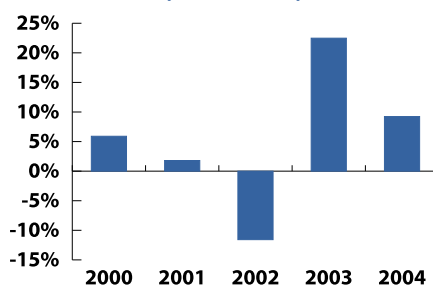
2004 Target Return 9.08%

2004 Market Value \$154.0M

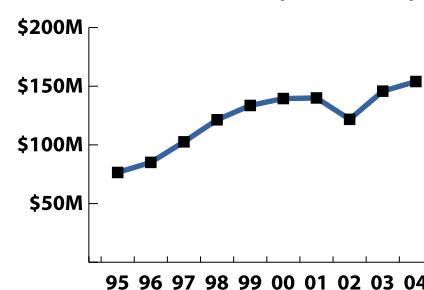
2000-2004 Return (Annualized) 4.98%

1985-2004 Return (Annualized) 10.99%

Investment Return (2000 - 2004)



Asset Growth - Market Value (1995 - 2004)



INVESTMENT VENDORS

Domestic Equity

- Boston Company Premier Value Equity Fund
- Dreyfus EB Core Small Cap Fund
- Freedom Equity Style Fund
- Freedom Large Cap Growth Fund
- Freedom Large Cap Value Fund
- Freedom Style-Weighted Concentrated Fund

International Equity

- INVESCO IRT International Equity Fund

Fixed Income

- Freedom Core Plus Fixed Income Fund

- Putnam High Yield Managed Trust

Real Estate

- CNL Institutional Income Fund, LLC
- Fidelity Real Estate Growth Fund, L.P.
- Intercontinental Real Estate Investment Fund III, LLC

Consultant

- Segal Advisors

Custodian

- Investors Bank & Trust

HULL

253 Atlantic Avenue, Hull, MA 02045

Phone 781-925-2282

Fax 781-925-2228

Board Meeting Varies

Board Members Leonard Colten (Chairperson), Donald F. Brooker, Arthur Flavin, Ann MacNaughton, James A. Yacobucci

Board Administrator Marcia Bohinc

ACTUARIAL

Funded Ratio 35.2%

Date of Last Valuation 1/04

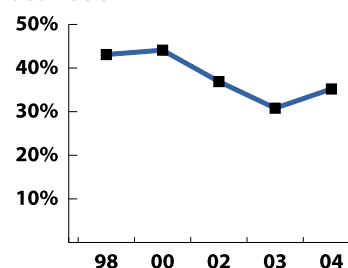
Actuary Stone

Assumed Rate of Return 7.75%

Funding Schedule Increasing 3.25%
Year Fully Funded 2028

Active Members 165
Retired Members 132

Funded Ratio



INVESTMENT

2004 Return 12.80%

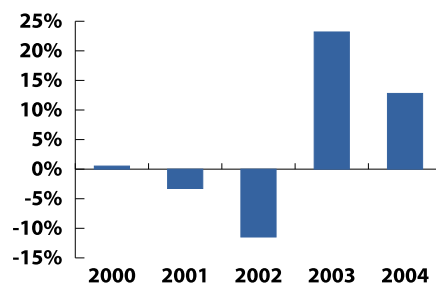
2004 Target Return 8.12%

2004 Market Value \$16.4M

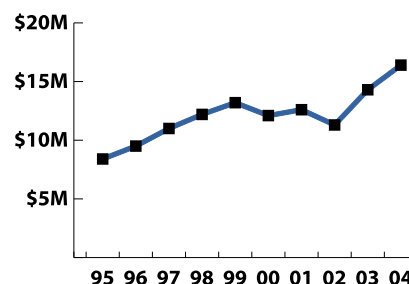
2000-2004 Return (Annualized) 3.65%

1985-2004 Return (Annualized) 8.56%

Investment Return (2000 - 2004)



Asset Growth - Market Value (1995 - 2004)



INVESTMENT VENDORS

Domestic Equity

- Freedom Large Cap Value Fund
- SSgA Small Cap Growth Opportunities Fund
- SSgA U.S. Core Opportunities Fund

Core

- PRIT

Custodian

- State Street

International Equity

- SSgA International Growth Opportunities Fund

Fixed Income

- Freedom Core Plus Fixed Income Fund
- SSgA Bond Market Fund

LAWRENCE

354 Merrimack Street, Suite 302, Lawrence, MA 01840

Phone 978-794-5836

Fax 978-683-5894

Board Meeting Varies

Board Members William Bateman, Lawrence LeFebre, John A. Neilon, Jr., Nancy B. Ross, Lynn Tran

Board Administrator Diane Cockroft

ACTUARIAL

Funded Ratio 43.7%

Date of Last Valuation 1/04

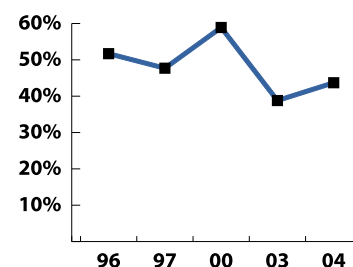
Actuary Stone

Assumed Rate of Return 8.00%

Funding Schedule Increasing 4.0%
Year Fully Funded 2028

Active Members 1,569
Retired Members 949

Funded Ratio



INVESTMENT

2004 Return 9.31%

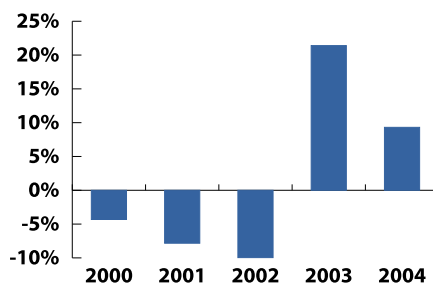
2004 Target Return 8.00%

2004 Market Value \$107.0M

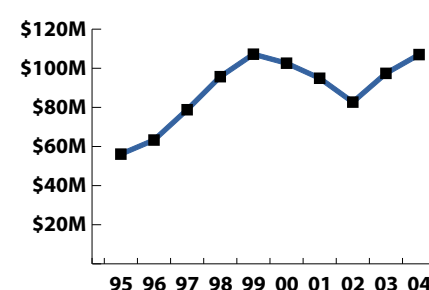
2000-2004 Return (Annualized) 1.05%

1985-2004 Return (Annualized) 8.99%

Investment Return (2000 - 2004)



Asset Growth - Market Value (1995 - 2004)



INVESTMENT VENDORS

Domestic Equity

- Freedom Capital Management Corporation
- INTECH Institutional Large Cap Growth Fund
- RhumbLine S&P 500 Pooled Index Fund
- Systematic Financial Management, L.P.

International Equity

- BIAM SAF International Equity Sub Trust

Fixed Income

- Hartford Institutional Trust High Quality High Yield Fund
- National Investment Services, Inc.

- Wellington Trust Co.-CIF II Core Bond Plus Portfolio

International Fixed Income

- SSgA Passive World Government Bond Ex-US Index SL Common Trust

Commission Recapture

- Lynch, Jones & Ryan

Consultant

- New England Pension Consultants

Custodian

- State Street

LEOMINSTER

City Hall, Room 15, 25 West Street, Leominster, MA 01453

Phone 978-534-7507, ext. 246

Fax 978-534-7508

Board Meeting Generally the last working day in each month

Board Members John J. Richard (Chairperson), Paul R. Doig, David R. LaPlante, Aldo J. Mazzaferro, John F. Picone

Board Administrator Anna Hamblin and A. Nancy Person

ACTUARIAL

Funded Ratio 67.2%

Date of Last Valuation 1/04

Actuary Stone

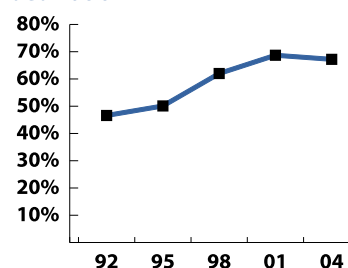
Assumed Rate of Return 8.00%

Funding Schedule Increasing 2.5%
Year Fully Funded 2017

Active Members 613

Retired Members 369

Funded Ratio



INVESTMENT

2004 Return 12.30%

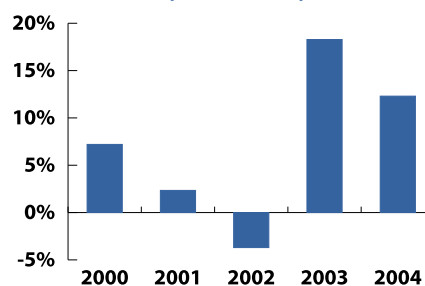
2004 Target Return 9.20%

2004 Market Value \$69.6M

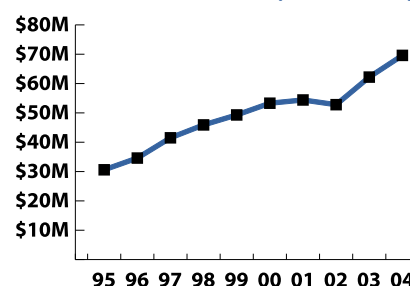
**2000-2004 Return
(Annualized)** 7.01%

**1985-2004 Return
(Annualized)** 9.68%

Investment Return (2000 - 2004)



Asset Growth - Market Value (1995 - 2004)



INVESTMENT VENDORS

Domestic Equity

- MFS Institutional Large Cap Value Fund
- Union Labor Life Small Cap Equity Account

International Equity

- Templeton Foreign Equity Series Fund

Fixed Income

- PRIT

Consultant

- Advest Custom Consulting

Custodian

- Investors Bank & Trust

LEXINGTON

1625 Massachusetts Avenue, Lexington, MA 02420

Phone 781-861-2720

Fax 781-861-2794

Board Meeting Varies

Board Members Robert Cunha (Chairperson), Alan Fields, Michael McNabb, John Ryan

Board Administrator Marguerite Oliva

ACTUARIAL

Funded Ratio 84.7%

Date of Last Valuation 1/04

Actuary Mellon

Assumed Rate of Return 8.00%

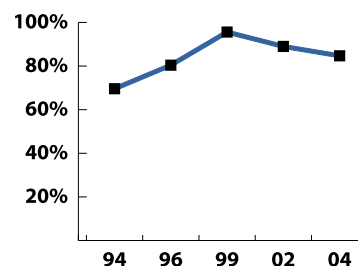
Funding Schedule Level

Year Fully Funded 2015

Active Members 573

Retired Members 389

Funded Ratio



INVESTMENT

2004 Return 13.07%

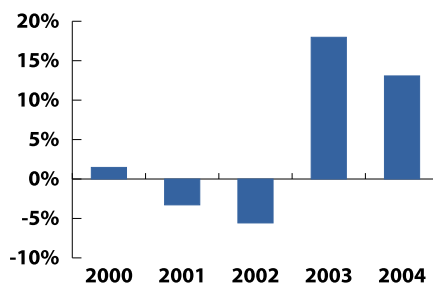
2004 Target Return 8.00%

2004 Market Value \$89.8M

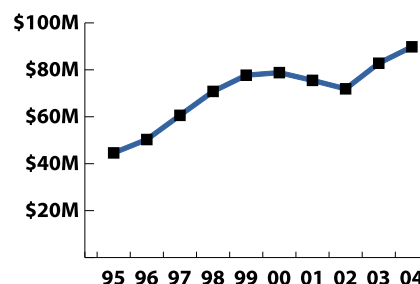
**2000-2004 Return
(Annualized)** 4.33%

**1985-2004 Return
(Annualized)** 10.41%

Investment Return (2000 - 2004)



Asset Growth - Market Value (1995 - 2004)



INVESTMENT VENDORS

Domestic Equity

- Babson Capital Management LLC
- Fidelity Contra Fund
- Fidelity Equity Income Fund

International Equity

- Wellington Trust Co.-CIF International Research Equity Portfolio
- Wellington Trust Co.-CIF Pacific Basin Fund

Fixed Income

- GoldenTree High Yield Value Fund
- MW Post Traditional High Yield Fund

- Wellington Trust Co.-CIF II Intermediate Bond Portfolio
- Wellington Trust Co.-CIF Treasury Inflation-Protected Securities (TIPS) Fund

Balanced Fund

- PIMCO All-Asset Fund
- Wellington Trust Co.-CIF Opportunistic Investment Portfolio

Consultant

- Meketa Investment Group

Custodian

- State Street

LOWELL

City Hall, Room 3, 375 Merrimack Street, Lowell, MA 01852-5998

Phone 978-970-4094

Fax 978-446-7019

Board Meeting Varies

Board Members James T. Kennedy (Chairperson), Walter Fernandez, Ann M. Ferris, Joseph Mahoney

Board Administrator Rosemary Sullivan

ACTUARIAL

Funded Ratio 63.8%

Date of Last Valuation 1/04

Actuary Mellon

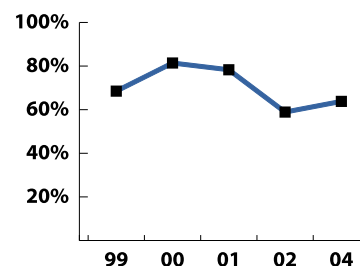
Assumed Rate of Return 8.25%

Funding Schedule Increasing 4.5%
Year Fully Funded 2022

Active Members 1,882

Retired Members 1,150

Funded Ratio



INVESTMENT

2004 Return 12.74%

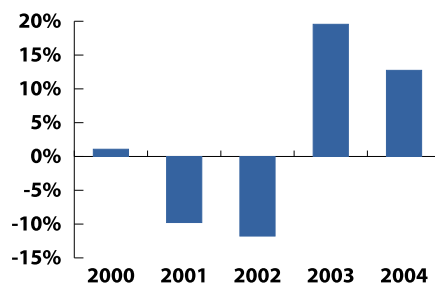
2004 Target Return 11.51%

2004 Market Value \$198.4M

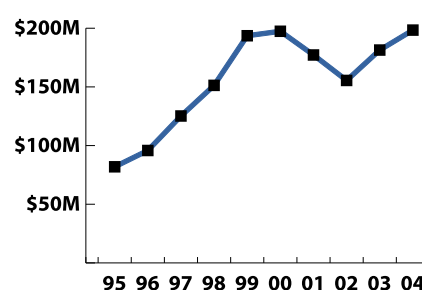
2000-2004 Return (Annualized) 1.64%

1985-2004 Return (Annualized) 10.58%

Investment Return (2000 - 2004)



Asset Growth - Market Value (1995 - 2004)



INVESTMENT VENDORS

Real Estate

- BlackRock Apartment Value Fund II, L.P.
- Boston Capital Fixed Income Mortgage Fund I LLC
- Heitman Real Estate Fund V
- Intercontinental Real Estate Investment Fund III, LLC
- L&B Property Fund IV
- Metric Apartment Co-Investment Trust Fund (MAC Trust)
- SSgA Tuckerman, Multi-Family Development Program II
- Senior Tour Players Fund I
- Sentinel Realty Partners IV & V

Alternative Investments

- Ascent Venture Partners II, III, IV, L.P.
- Boston Millennia Partners, L.P.
- Boston Millennia Partners II, L.P.
- Charles River Partnership VI-A, VII, VIII, IX, X, XI
- DN Partners, L.P.
- New England Growth Fund I & II, L.P.
- North Atlantic Venture Fund II & III
- Novus Ventures II, L.P.

Core

- PRIT

Distribution Manager

- QCI Asset Management

Consultant

- Wainwright Investment Counsel, LLC

Custodian

- Investors Bank & Trust

City Hall, Room 106, Lynn, MA 01901

Phone 781-586-6897

Fax 781-595-9101

Board Meeting Last Tuesday of each month at 9:30 am

Board Members Michael J. Marks (Chairperson), Gordon "Buzzy" Barton, Richard Biagiotti, Joseph P. Driscoll, John E. Pace

Board Administrator Gary Brenner

ACTUARIAL

Funded Ratio 50.8%

Date of Last Valuation 1/04

Actuary PERAC

Assumed Rate of Return 8.25%

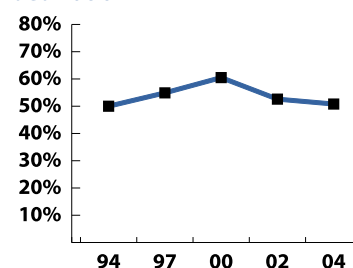
Funding Schedule Increasing 4.5%

Year Fully Funded 2028

Active Members 1,533

Retired Members 1,240

Funded Ratio



INVESTMENT

2004 Return 12.77%

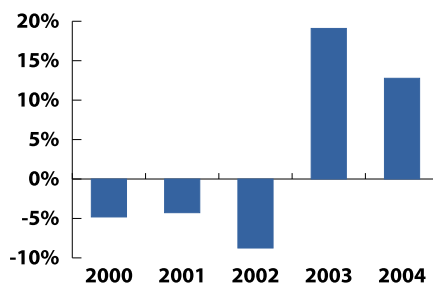
2004 Target Return 9.25%

2004 Market Value \$169.2M

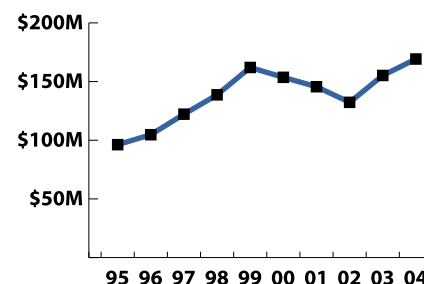
2000-2004 Return (Annualized) 2.23%

1985-2004 Return (Annualized) 9.38%

Investment Return (2000 - 2004)



Asset Growth - Market Value (1995 - 2004)



INVESTMENT VENDORS

Domestic Equity

- Chase Investment Counsel Corporation
- Earnest Partners, LLC
- Freedom Capital Management Corporation
- SSgA Russell 2000 Growth Index Fund

International Equity

- Boston Company International Equity Fund
- Jarislowsky Fraser International Equity Fund

Fixed Income

- de Burlo Group
- PIMCO Total Return Fund

Real Estate

- MetLife Tower Fund

Alternative Investments

- Ascent Venture Partners III & IV, L.P.
- Novo Vita, L.P.

Consultant

- Segal Advisors

Custodian

- Investors Bank & Trust

One Beacon Street, Boston, MA 02108

Phone 617-854-1871

Fax 617-854-1027

Board Meeting Second Tuesday of each month at 1:30 pm

Board Members Andris Silins (Chairperson), Michael Fitzmaurice, Paul T. Hynes, Christopher Johnson, Antonio Torres

Board Administrator John C. Doherty

ACTUARIAL

Funded Ratio 101.9%

Date of Last Valuation 1/02

Actuary John Hancock

Assumed Rate of Return 8.00%

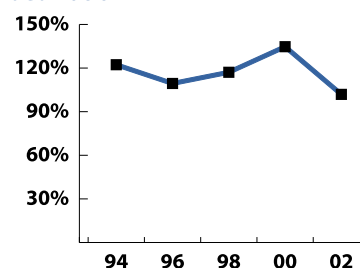
Funding Schedule Fully Funded

Year Fully Funded NA

Active Members 312

Retired Members 64

Funded Ratio



INVESTMENT

2004 Return 11.19%

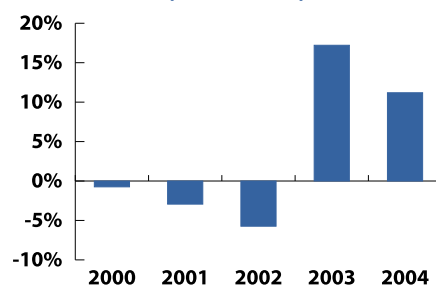
2004 Target Return 8.00%

2004 Market Value \$50.1M

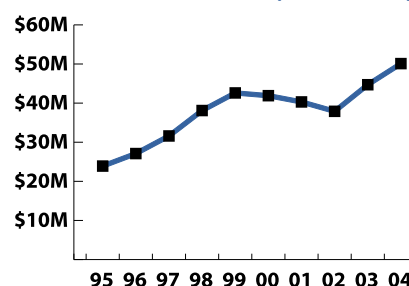
2000-2004 Return (Annualized) 3.43%

1985-2004 Return (Annualized) 8.75%

Investment Return (2000 - 2004)



Asset Growth - Market Value (1995 - 2004)



INVESTMENT VENDORS

Domestic Equity

- SSgA Russell 1000 Value Index Fund
- SSgA Russell 2000 Value Index Fund
- Voyaguer Asset Management, Inc.

International Equity

- INVESCO IRT International Equity Fund

Fixed Income

- McDonnell Investment Management, LLC

Real Estate

- Angelo Gordon Realty Fund IV, L.P.
- Clarion Lion Properties Fund

- Henderson Real Estate Investors (RESA)

Alternative Investments

- Ascent Venture Partners II, III, IV, L.P.

Consultant

- Meketa Investment Group

Custodian

- Investors Bank & Trust

MWRA

MWRA Chelsea Facility, 2 Griffin Way, Chelsea, MA 02150

Phone 617-305-5594

Fax 617-371-1616

Board Meeting Varies

Board Members James M. Fleming, Esq., Laura M. Guadagno, Esq., Joseph A. MacRitchie, Esq.

Board Administrator Brian M. Leahy

ACTUARIAL

Funded Ratio 100.0%

Date of Last Valuation 1/03

Actuary Mellon

Assumed Rate of Return 8.00%

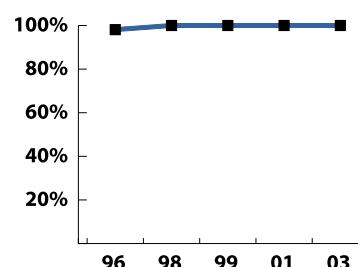
Funding Schedule Fully Funded

Year Fully Funded NA

Active Members 1,205

Retired Members 193

Funded Ratio



INVESTMENT

2004 Return 10.72%

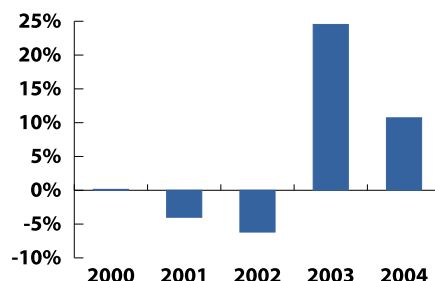
2004 Target Return 8.00%

2004 Market Value \$176.6M

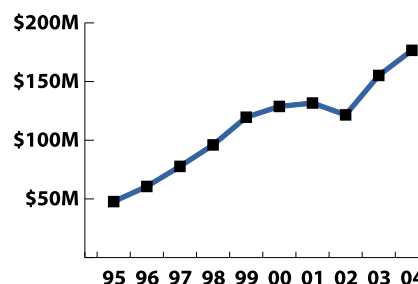
2000-2004 Return (Annualized) 4.46%

1985-2004 Return (Annualized) 8.42%

Investment Return (2000 - 2004)



Asset Growth - Market Value (1995 - 2004)



INVESTMENT VENDORS

Domestic Equity

- Boston Partners Asset Management, L.P.
- Loomis Sayles Small Company Growth Fund
- MFS Institutional Advisors, Inc.
- Putnam Core Growth Equity Fund
- RhumbLine S&P 500 Pooled Index Fund

International Equity

- Bank of Ireland Asset Mgmt SAF International Equity Sub Trust
- Brandywine International Equity Value Fund

Fixed Income

- INVESCO, Inc.
- Loomis Sayles Fixed Income Fund

Real Estate

- Carey Corporate Properties Associates Fund 15
- L&B Realty Investment Program
- Metric Apartment Co-Investment Trust Fund (MAC Trust)
- Morgan Stanley Prime Property Fund
- SSR Apartment Value Fund II, L.P.

Alternative Investments

- Ascent Venture Partners II & IV, L.P.

- Boston Capital Ventures III
- Concord Partners III, L.P.
- INVESCO Venture Partnership Fund IV, L.P.

Core

- PRIT

Commission Recapture

- Lynch, Jones & Ryan

Consultant

- New England Pension Consultants

Custodian

- State Street

MALDEN

Government Center, Room 222, 200 Pleasant Street, Malden, MA 02148

Phone 781-397-7086

Fax 781-397-7358

Board Meeting Third Wednesday of each month

Board Members Warren Atkinson, Jr., Joanne Croken, Douglas Eisner, Domenic Fermano, Ronald B. Hogan

Board Administrator Kevin Morrison

ACTUARIAL

Funded Ratio 75.9%

Date of Last Valuation 1/04

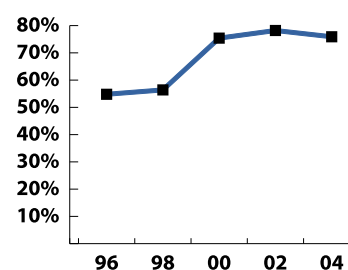
Actuary PERAC

Assumed Rate of Return 8.00%

Funding Schedule Level
Year Fully Funded 2024

Active Members 844
Retired Members 666

Funded Ratio



INVESTMENT

2004 Return 7.21%

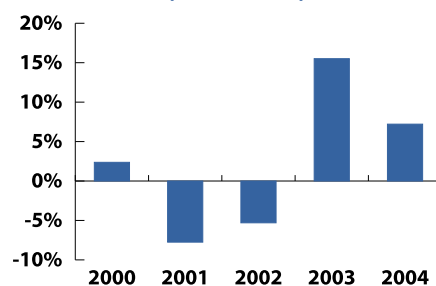
2004 Target Return 8.00%

2004 Market Value \$123.4M

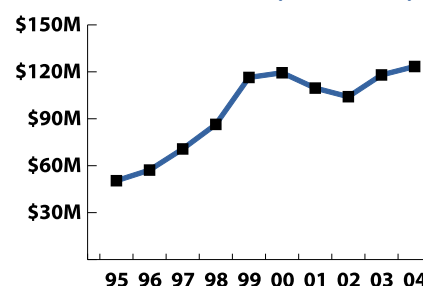
2000-2004 Return (Annualized) 2.06%

1985-2004 Return (Annualized) 10.98%

Investment Return (2000 - 2004)



Asset Growth - Market Value (1995 - 2004)



INVESTMENT VENDORS

Domestic Equity

- de Burlo Group

Fixed Income

- de Burlo Group

Custodian

- State Street

MARBLEHEAD

Mary Alley Building, 7 Widger Road, Marblehead, MA 01945

Phone 781-639-3418

Fax 781-631-2617

Board Meeting Varies

Board Members Anthony M. Sasso (Chairperson), Robert F. Peck, Jr., Calvin R. Powers, George B. Snow, Thomas P. Sullivan

Board Administrator Matthew P. Barrett

ACTUARIAL

Funded Ratio 83.9%

Date of Last Valuation 1/04

Actuary Mellon

Assumed Rate of Return 8.00%

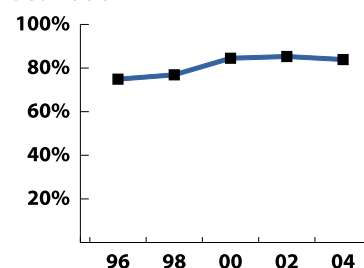
Funding Schedule Increasing 4.5%

Year Fully Funded 2028

Active Members 384

Retired Members 321

Funded Ratio



INVESTMENT

2004 Return 14.46%

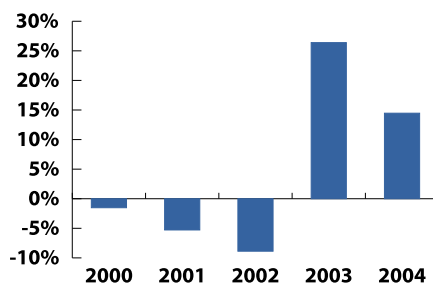
2004 Target Return 8.25%

2004 Market Value \$68.2M

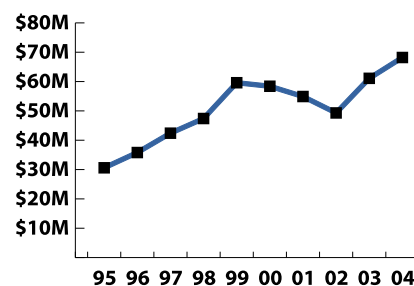
2000-2004 Return (Annualized) 4.22%

1985-2004 Return (Annualized) 10.64%

Investment Return (2000 - 2004)



Asset Growth - Market Value (1995 - 2004)



INVESTMENT VENDOR

- PRIT

MARLBOROUGH

City Hall, 140 Main Street, Marlborough, MA 01752-3812

Phone 508-460-3760

Fax 508-481-7814

Board Meeting Usually the last Monday of each month

Board Members Gregory P. Brewster (Chairperson), Thomas J. Abel, Barbara Martel, Christopher M. Sandini, Sr., William Taylor

Board Administrator Margaret R. Shea

ACTUARIAL

Funded Ratio 61.0%

Date of Last Valuation 1/03

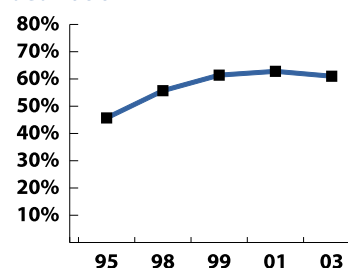
Actuary Mellon

Assumed Rate of Return 8.00%

Funding Schedule Increasing 3.5%
Year Fully Funded 2023

Active Members 685
Retired Members 313

Funded Ratio



INVESTMENT

2004 Return 12.18%

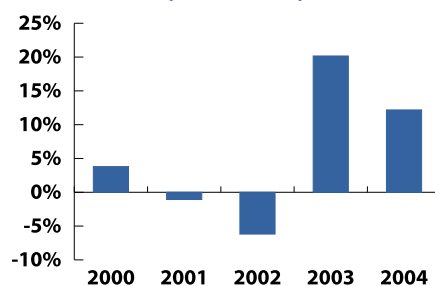
2004 Target Return 8.30%

2004 Market Value \$70.7M

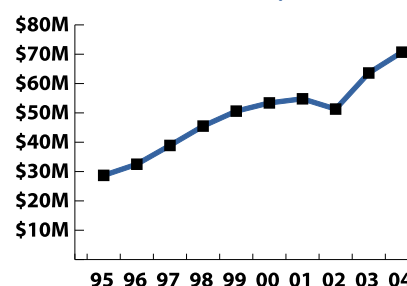
2000-2004 Return (Annualized) 5.37%

1985-2004 Return (Annualized) 9.73%

Investment Return (2000 - 2004)



Asset Growth - Market Value (1995 - 2004)



INVESTMENT VENDORS

Domestic Equity

- Batterymarch US Small Cap Equity Growth Fund
- Freedom Capital Management Corporation
- RhumbLine S&P 500 Pooled Index Fund

International Equity

- Boston Company International Equity Fund

Fixed Income

- CMG High Yield Fund
- SSgA Passive Bond Market Index SL Fund

Real Estate

- Clarion Lion Properties Fund

Consultant

- Meketa Investment Group

Custodian

- Investors Bank & Trust

MASSPORT

One Harborside Drive, Suite 200S, East Boston, MA 02128

Phone 617-568-3951

Fax 617-568-3957

Board Meeting Generally the last Wednesday of each month

Board Members James P. Costello (Chairperson), David W. Davis, Michael A. Grieco, Leslie Kirwan, Philip H. Mallett

Board Administrator Irene E. Moran

ACTUARIAL

Funded Ratio 108.2%

Date of Last Valuation 1/03

Actuary Stone

Assumed Rate of Return 7.75%

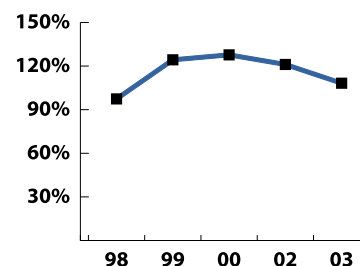
Funding Schedule Fully Funded

Year Fully Funded NA

Active Members 1,107

Retired Members 371

Funded Ratio



INVESTMENT

2004 Return 11.59%

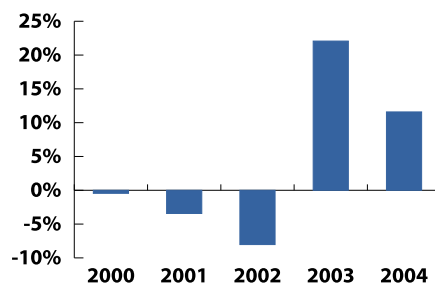
2004 Target Return 7.31%

2004 Market Value \$317.8M

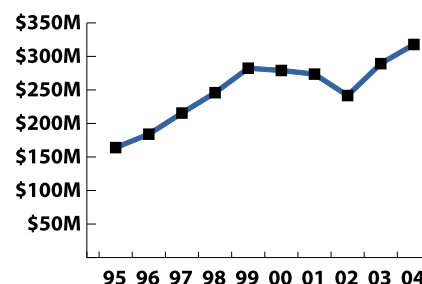
**2000-2004 Return
(Annualized)** 3.79%

**1985-2004 Return
(Annualized)** 10.48%

Investment Return (2000 - 2004)



Asset Growth - Market Value (1995 - 2004)



INVESTMENT VENDORS

Domestic Equity

- Mazama Capital Management
- Pzena Investment Management
- SSgA S&P 500 Flagship Fund

International Equity

- Baring Full Active/Passive Equity (Lending) Fund G
- Templeton Institutional Funds, Foreign Equity Series

Fixed Income

- Wellington Management Company

Real Estate

- PRIT

Alternative Investments

- Copley Partners I & II
- PRIT

Consultant

- Wilshire Associates

Custodian

- State Street

MASS TURNPIKE

10 Park Plaza, Suite 4155, Boston, MA 02116

Phone 617-248-2940

Fax 617-248-2980

Board Meeting Last Wednesday of each month

Board Members Domenic A. Tringale (Chairperson), Gerald F. Coughlin, James Esposito, Jr., David Grenon, Francis M. Hoey

Board Administrator Thomas L. Arcadipane

ACTUARIAL

Funded Ratio 86.9%

Date of Last Valuation 1/04

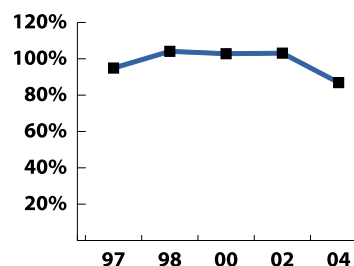
Actuary Segal

Assumed Rate of Return 8.50%

Funding Schedule Increasing 4.5%
Year Fully Funded 2023

Active Members 1,259
Retired Members 695

Funded Ratio



INVESTMENT

2004 Return 9.24%

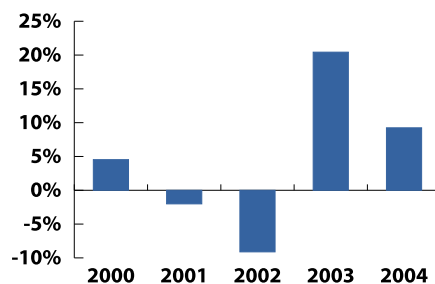
2004 Target Return 8.50%

2004 Market Value \$187.2M

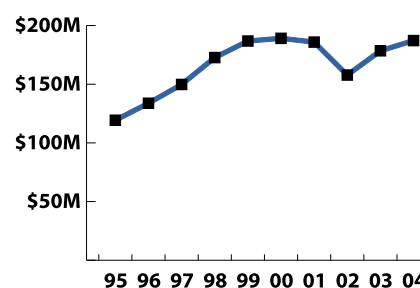
2000-2004 Return (Annualized) 4.14%

1985-2004 Return (Annualized) 9.74%

Investment Return (2000 - 2004)



Asset Growth - Market Value (1995 - 2004)



INVESTMENT VENDORS

Domestic Equity

- Boston Company Asset Management, LLC
- Cooke & Bieler, L.P.
- Longwood Investment Advisors

International Equity

- Bank of Ireland Asset Mgmt SAF International Equity Sub Trust

Fixed Income

- Freedom Capital Management Corporation
- Seix High Yield Fund

- Wellington Trust Co.-CIF II Core Bond Fund

International Fixed Income

- SSgA Passive World Government Bond Ex-US Index SL

Balanced Fund

- Mellon EB Enhanced Allocation Fund

Consultant

- New England Pension Consultants

Custodian

- State Street

MAYNARD

195 Main Street, Maynard, MA 01754

Phone 978-897-1006

Fax 978-897-0565

Board Meeting Last Thursday of each month at 9:30 am

Board Members Kenneth R. DeMars (Chairperson), Gerard P. Flood, Robert W. Larkin, Thomas A. Natoli, Russell Salamone

Board Administrator Harry A. Gannon

ACTUARIAL

Funded Ratio 63.8%

Date of Last Valuation 1/04

Actuary PERAC

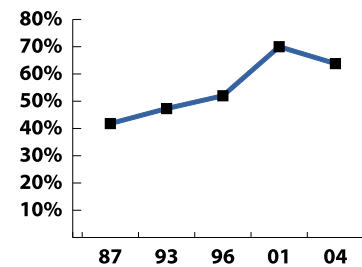
Assumed Rate of Return 8.00%

Funding Schedule Increasing 3.75%
Year Fully Funded 2028

Active Members 181

Retired Members 78

Funded Ratio



INVESTMENT

2004 Return 10.81%

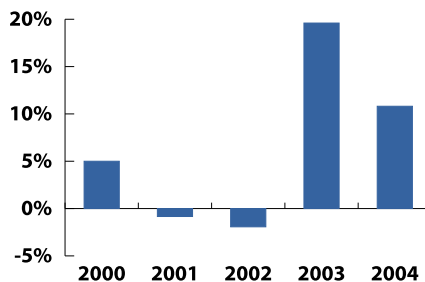
2004 Target Return 7.97%

2004 Market Value \$19.5M

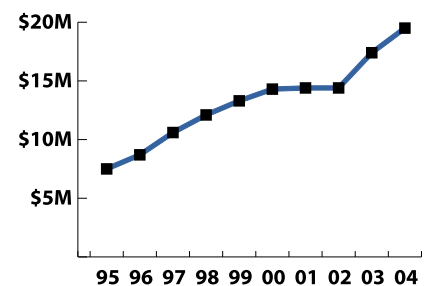
2000-2004 Return (Annualized) 6.24%

1985-2004 Return (Annualized) 9.07%

Investment Return (2000 - 2004)



Asset Growth - Market Value (1995 - 2004)



INVESTMENT VENDORS

Domestic Equity

- Boston Advisors, Inc.

Fixed Income

- Boston Advisors, Inc.

Custodian

- Investors Bank & Trust

MEDFORD

City Hall, Room 215, Medford, MA 02155

Phone 781-393-2521, 781-393-2516 (TDD#)

Fax 781-393-2522

Board Meeting Varies

Board Members Thomas M. Curtis (Chairperson), Gilda Antolini, Anne C. Baker, Thomas A. Cangiano, James Vieira

Board Administrator Tina Rapatano

ACTUARIAL

Funded Ratio 64.7%

Date of Last Valuation 1/03

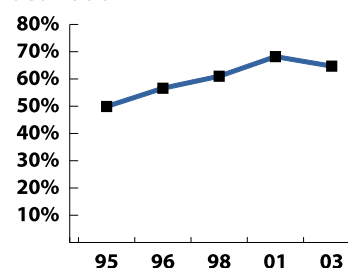
Actuary Mellon

Assumed Rate of Return 7.50%

Funding Schedule Increasing 4.5%
Year Fully Funded 2025

Active Members 765
Retired Members 632

Funded Ratio



INVESTMENT

2004 Return 11.92%

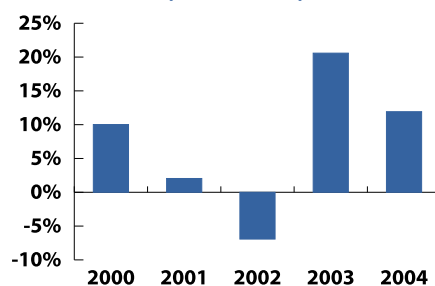
2004 Target Return 7.50%

2004 Market Value \$127.4M

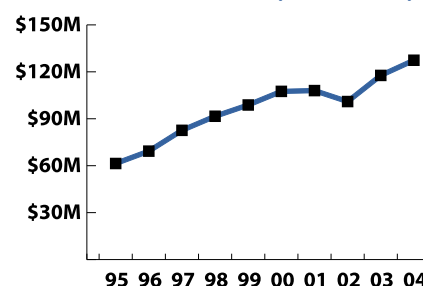
2000-2004 Return (Annualized) 7.12%

1985-2004 Return (Annualized) 10.44%

Investment Return (2000 - 2004)



Asset Growth - Market Value (1995 - 2004)



INVESTMENT VENDORS

Domestic Equity

- Boston Company Asset Management, LLC
- Connecticut Investment Management, Inc.
- Loomis Sayles Small Cap Value Fund
- RhumbLine S&P Mid-Cap 400 Pooled Index Fund

International Equity

- INVESCO IRT International Equity Fund

Fixed Income

- Columbia Management Group, Inc.
- Primus High Yield Bond Fund

Real Estate

- BlackRock Apartment Value Fund II, L.P.
- L&B Property Fund IV
- Metric Apartment Co-Investment Trust Fund (MAC Trust)
- PRIT

Consultant

- New England Pension Consultants

Custodian

- State Street

MELROSE

562 Main Street, Melrose, MA 02176

Phone 781-979-4150 or 4151

Fax 781-979-4206

Board Meeting Usually the last Wednesday of each month at 11:00 am

Board Members John P. O'Neil (Chairperson), Patrick Dello Russo, James E. Milano, Gerald W. O'Neil, Maria Zizza

Board Administrator Barbara Wells

ACTUARIAL

Funded Ratio 60.9%

Date of Last Valuation 1/04

Actuary PERAC

Assumed Rate of Return 8.00%

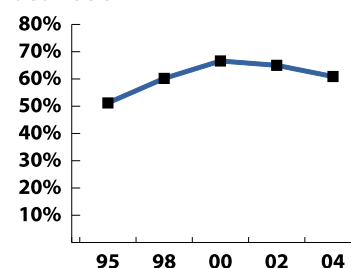
Funding Schedule Increasing 4.0%

Year Fully Funded 2019

Active Members 414

Retired Members 384

Funded Ratio



INVESTMENT

2004 Return 10.16%

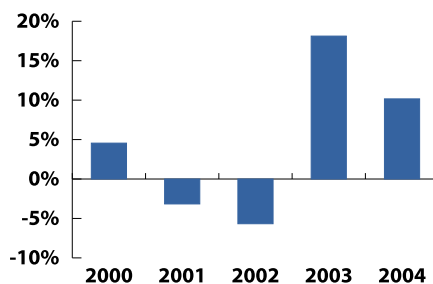
2004 Target Return 8.00%

2004 Market Value \$52.2M

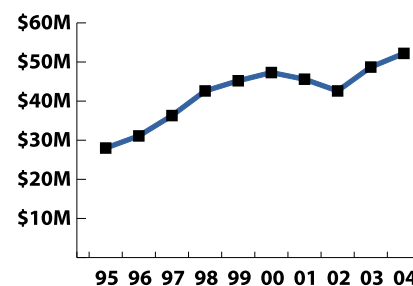
**2000-2004 Return
(Annualized)** 4.44%

**1985-2004 Return
(Annualized)** 9.77%

Investment Return (2000 - 2004)



Asset Growth - Market Value (1995 - 2004)



INVESTMENT VENDORS

Domestic Equity

- Dreyfus EB Core Small Cap Fund
- Fox Asset Management
- Freedom Equity Style Fund
- INTECH Institutional Large Cap Fund

International Equity

- EuroPacific Growth Fund

Fixed Income

- Columbia Management Group, Inc.
- Loomis Sayles Fixed Income Fund

Real Estate

- Intercontinental Real Estate Investment Fund II, LLC
- TA Realty Associates Fund V

Alternative Investments

- Ascent Venture Partners IV, L.P.
- INVESCO Non-U.S. Partnership Fund III, L.P.
- INVESCO U.S. Buyout & Expansion Capital Partnership Fund III, L.P.
- INVESCO Venture Partnership Fund III, L.P.

- INVESCO Venture Partnership Fund IV, L.P.
- Keystone Venture V

Consultant

- Segal Advisors

Custodian

- Investors Bank & Trust

METHUEN

41 Pleasant Street, Suite 303, Methuen, MA 01844

Phone 978-794-3202

Fax 978-794-3240

Board Meeting Last Thursday of each month at 9:30 am

Board Members Thomas J. Kelly (Chairperson), Sharon Cutter, Robert J. DeLuca, Michael Hennessy, Albert J. Trott, III

Board Administrator Terrylee Murphy

ACTUARIAL

Funded Ratio 61.2%

Date of Last Valuation 1/04

Actuary Mellon

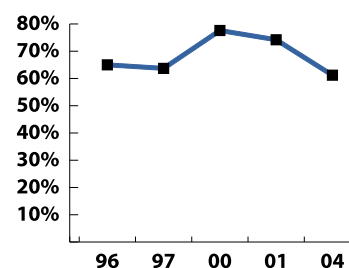
Assumed Rate of Return 8.00%

Funding Schedule Increasing 4.5%
Year Fully Funded 2025

Active Members 666

Retired Members 382

Funded Ratio



INVESTMENT

2004 Return 8.85%

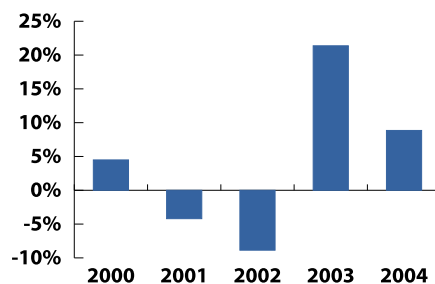
2004 Target Return 9.00%

2004 Market Value \$70.3M

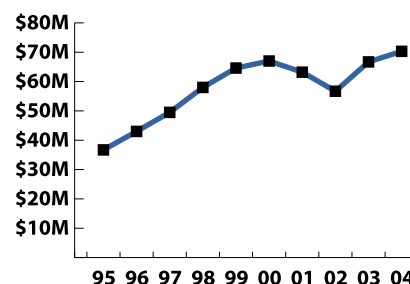
**2000-2004 Return
(Annualized)** 3.80%

**1985-2004 Return
(Annualized)** 9.39%

Investment Return (2000 - 2004)



Asset Growth - Market Value (1995 - 2004)



INVESTMENT VENDORS

Domestic Equity

- Dreyfus EB Core Small Cap Fund
- INVESCO - National Asset Management

International Equity

- Brandes International Equity Trust

Fixed Income

- Bradford & Marzec Strategic High Yield Portfolio
- Wells Fargo Montgomery Total Return Bond Fund

Real Estate

- RREEF America REIT II
- Sentinel Realty Partners IV

Consultant

- Segal Advisors

Custodian

- Investors Bank & Trust

MIDDLESEX

P. O. Box 160, 25 Linnell Circle, Billerica, MA 01865

Phone 800-258-3805, 978-439-3000

Fax 978-439-3050

Board Meeting Meets twice a month, usually on Thursday

Board Members Thomas F. Gibson (Chairperson), John H. Burke, Brian P. Curtin, Lawrence P. Driscoll, James M. Gookin

Board Administrator Jacqueline Williams

ACTUARIAL

Funded Ratio 50.5%

Date of Last Valuation 1/04

Actuary Segal

Assumed Rate of Return 8.25%

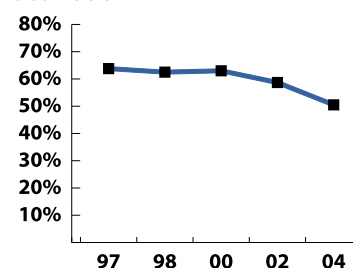
Funding Schedule Increasing 4.5%

Year Fully Funded 2028

Active Members 9,043

Retired Members 4,780

Funded Ratio



INVESTMENT

2004 Return 11.02%

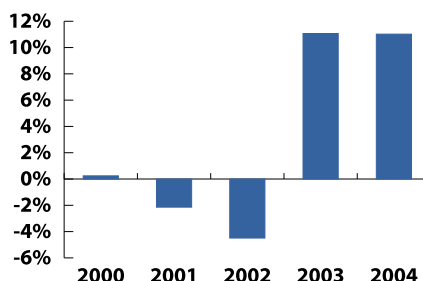
2004 Target Return 8.90%

2004 Market Value \$596.2M

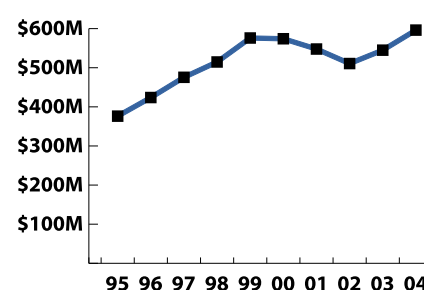
2000-2004 Return (Annualized) 2.93%

1985-2004 Return (Annualized) 9.75%

Investment Return (2000 - 2004)



Asset Growth - Market Value (1995 - 2004)



INVESTMENT VENDORS

Domestic Equity

- Atlanta Capital Management Company, LLC
- INTECH
- Fisher Investments, Inc.
- Fox Asset Management
- Freedom Capital Management Corporation
- Independence Investment Advisors, LLC
- J&W Seligman & Company, Inc.
- Salus Market Neutral Conservative Investment Fund

International Equity

- Acadian Asset Management
- Lazard Asset Management, LLC
- MFS Institutional Advisors, Inc.

Fixed Income

- Columbia Management Group, Inc.
- Diversified High Quality Bond Fund
- Financial Management Advisors, LLC
- Hartford Investment Management Company
- Income Research & Management

International Fixed Income

- Aberdeen International Bond Portfolio

Real Estate

- AFL-CIO Housing Investment Trust
- BlackRock Apartment Value Fund II, L.P.
- Geometry Real Estate LLC
- Geometry Real Estate III, L.P.
- GFP- Timberland III L.L.C.
- GFP- World Timberfund L.L.C.
- Intercontinental Real Estate Investment Fund III & IV, LLC
- L&B Property Fund IV
- Lend Lease Value Enhancement Fund, III, IV, V
- Sentinel Realty Partners V

INVESTMENT VENDORS (CONT.)

Real Estate (cont.)

- SSgA Tuckerman--Multi-Family Development Program II & III
- SSgA Tuckerman, Residential Income and Value Added (RIVA) Fund
- TA Realty Associates Fund VI

Alternative Investments

- Alliance Technology Ventures III, L.P.
- Ascend Ventures, L.P.
- Ascent Venture Partners II & III, L.P.
- Auda Partners, L.P.
- Axxon Capital, L.P.
- Bachow Investment Partners III, L.P.
- Boston Millennia Partners, L.P.
- Boston Millennia Partners II, L.P.
- Charles River Partnership VI-A
- Crescent Capital
- Duke Street Capital Fund III & V
- First America Asia Fund I, LLC
- Globespan Capital Partners IV, L.P.
- INVESCO Non-U.S. Partnership Fund III, L.P.
- New England Growth Fund I & II, L.P.
- North Atlantic Venture Fund II & III
- Novo Vita, L.P.
- Novus Ventures II, L.P.
- PRISM Venture Partners I & III, L.P.
- Thomas H. Lee Equity Fund V, L.P.
- Weiss, Peck & Greer Corporate Development IV, L.P.
- Wells Capital Management Emerging Markets Fund
- Zero Stage Capital V & VI, L.P.

Cash

- Smith Barney

Currency Overlay

- A.G. Bissett & Company, Inc.

Commission Recapture

- Bank of New York Brokerage, Inc.
- First Honolulu Securities
- Rochdale Securities, Inc.
- Trading Partners, Inc.

Transition Management

- Trading Partners, Inc.

Consultant

- Wainwright Investment Counsel, LLC

Custodian

- State Street

MILFORD

Town Hall, Room 17, 52 Main Street, Milford, MA 01757

Phone 508-634-2321

Fax 508-634-0902

Board Meeting Fourth Wednesday of each month at 2:00 pm

Board Members Michael A. Diorio, CPA (Chairperson), Barbara A. Auger, Gerald F. Hennessy, Ernest Pettinari, Esq., John P. Pyne, Jr.

Board Administrator Linda DeDominick

ACTUARIAL

Funded Ratio 74.7%

Date of Last Valuation 1/03

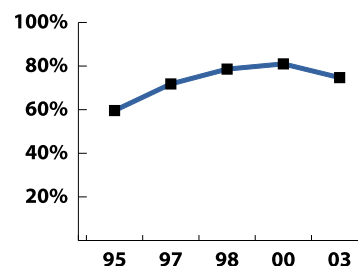
Actuary Segal

Assumed Rate of Return 8.00%

Funding Schedule Increasing 4.5%
Year Fully Funded 2028

Active Members 432
Retired Members 276

Funded Ratio



INVESTMENT

2004 Return 11.82%

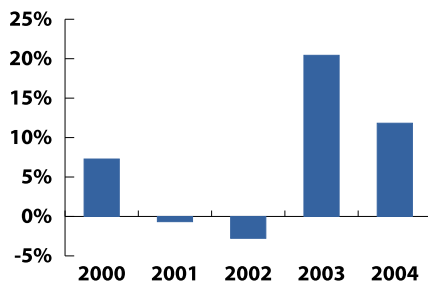
2004 Target Return 8.44%

2004 Market Value \$53.5M

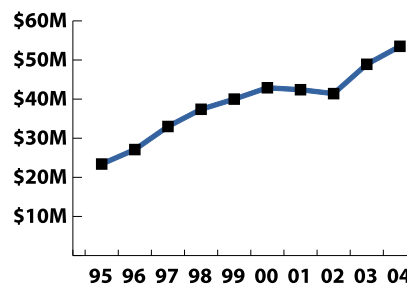
2000-2004 Return (Annualized) 6.89%

1985-2004 Return (Annualized) 9.95%

Investment Return (2000 - 2004)



Asset Growth - Market Value (1995 - 2004)



INVESTMENT VENDORS

Domestic Equity

- Boston Advisors, Inc.

Fixed Income

- Boston Advisors, Inc.

Custodian

- State Street

MILTON

525 Canton Avenue, Milton, MA 02186

Phone 617-696-5173

Fax 617-698-6741

Board Meeting Last Thursday of each month at 5:30 pm

Board Members David S. Grab (Chairperson), John H. Bowie, Jr., Robert J. Byron, Joseph G. Graziani, Jr., Richard J. Madigan

Board Administrator Kevin Cleary

ACTUARIAL

Funded Ratio 74.1%

Date of Last Valuation 1/03

Actuary PERAC

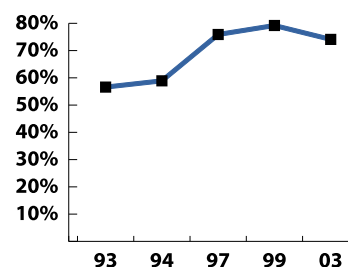
Assumed Rate of Return 8.25%

Funding Schedule Increasing 4.5%
Year Fully Funded 2020

Active Members 328

Retired Members 295

Funded Ratio



INVESTMENT

2004 Return 13.90%

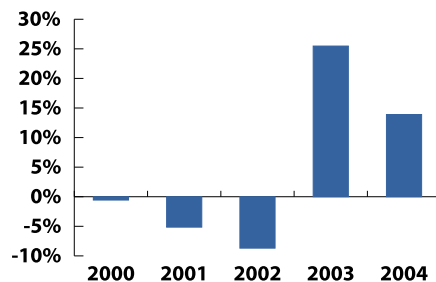
2004 Target Return 8.12%

2004 Market Value \$66.4M

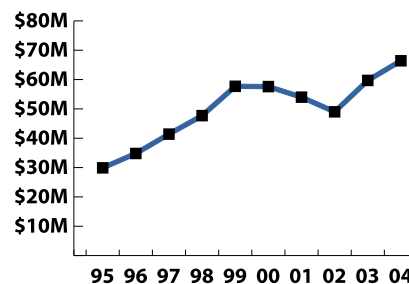
2000-2004 Return (Annualized) 4.24%

1985-2004 Return (Annualized) 10.99%

Investment Return (2000 - 2004)



Asset Growth - Market Value (1995 - 2004)



INVESTMENT VENDOR

- PRIT

MINUTEMAN REGIONAL

758 Marrett Road, Lexington, MA 02421

Phone 781-861-6500

Fax 781-863-1747

Board Meeting Generally the second Wednesday of each month

Board Members Janet B. Killeen (Chairperson), Norman Cohen, Donald Essman, Linda J. Gendall, Maria Oliveira

Board Administrator Janet B. Killeen

ACTUARIAL

Funded Ratio 104.0%

Date of Last Valuation 1/03

Actuary PERAC

Assumed Rate of Return 8.00%

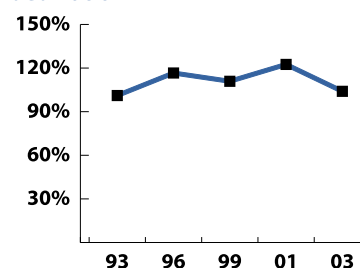
Funding Schedule Fully Funded

Year Fully Funded NA

Active Members 57

Retired Members 23

Funded Ratio



INVESTMENT

2004 Return 14.54%

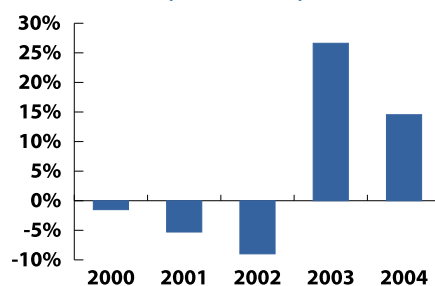
2004 Target Return 8.12%

2004 Market Value \$9.1M

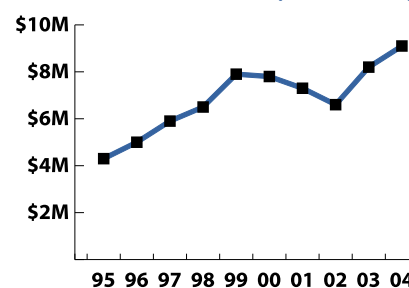
**2000-2004 Return
(Annualized)** 4.25%

**1985-2004 Return
(Annualized)** 11.10%

Investment Return (2000 - 2004)



Asset Growth - Market Value (1995 - 2004)



INVESTMENT VENDOR

- PRIT

MONTAGUE

One Avenue A, Turners Falls, MA 01376

Phone 413-863-3206

Fax 413-863-3224

Board Meeting Usually the fourth Tuesday of each month at 1:00 pm

Board Members David R. Dion (Chairperson), Frank Abbondanzio, Marianne Fiske, Marilyn Matysiewicz, Carolyn S. Olsen

Board Administrator Tina Schneider

ACTUARIAL

Funded Ratio 68.6%

Date of Last Valuation 1/04

Actuary Stone

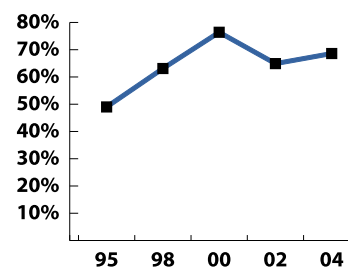
Assumed Rate of Return 8.00%

Funding Schedule Increasing 2.0%
Year Fully Funded 2016 (ERI 2020)

Active Members 199

Retired Members 105

Funded Ratio



INVESTMENT

2004 Return 14.59%

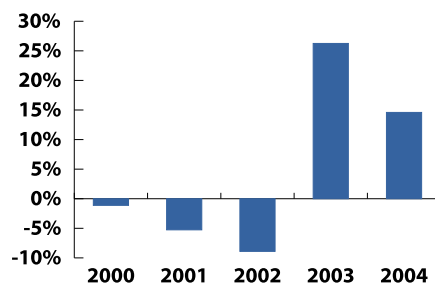
2004 Target Return 8.12%

2004 Market Value \$17.5M

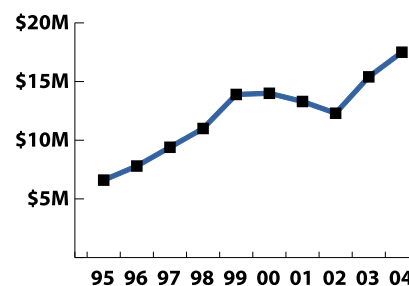
2000-2004 Return (Annualized) 4.31%

1985-2004 Return (Annualized) 10.50%

Investment Return (2000 - 2004)



Asset Growth - Market Value (1995 - 2004)



INVESTMENT VENDOR

- PRIT

NATICK

13 East Central Street, Natick, MA 01760

Phone 508-647-6440

Fax 508-647-6443

Board Meeting Usually the last Wednesday of each month at 2:00 pm

Board Members Robert J. Drew (Chairperson), Ruthann Cashman, David Given, John D. Mahaney, Michael J. Melchiorri

Board Administrator Kathleen S. Bacon

ACTUARIAL

Funded Ratio 64.4%

Date of Last Valuation 1/04

Actuary Segal

Assumed Rate of Return 8.00%

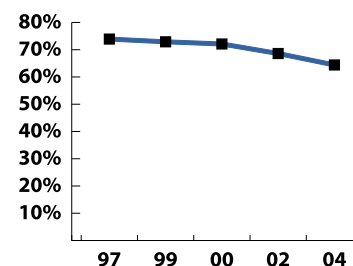
Funding Schedule Increasing 4.5%

Year Fully Funded 2026

Active Members 544

Retired Members 365

Funded Ratio



INVESTMENT

2004 Return 7.30%

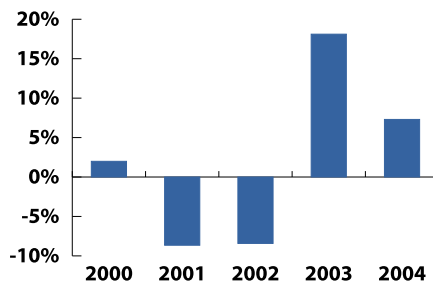
2004 Target Return 9.00%

2004 Market Value \$65.9M

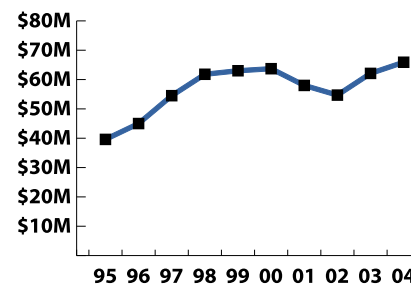
**2000-2004 Return
(Annualized)** 1.58%

**1985-2004 Return
(Annualized)** 9.57%

Investment Return (2000 - 2004)



Asset Growth - Market Value (1995 - 2004)



INVESTMENT VENDORS

Domestic Equity

- Fox Asset Management
- Independence Investments, LLC
- SSgA Large Cap Growth Opportunities Commingled Fund

International Equity

- Hotchkis and Wiley International Equity Group Trust

Fixed Income

- SSgA Lehman Aggregate Bond Index Fund

Real Estate

- Intercontinental Real Estate Investment Fund III, LLC

Alternative Investments

- First America Asia Fund I

Consultant

- Segal Advisors

Custodian

- Investors Bank & Trust

NEEDHAM

Town Hall, 1471 Highland Avenue, Needham, MA 02492-2669

Phone 781-455-7595

Fax 781-449-4569

Board Meeting Usually third Wednesday of each month at 9:30 am

Board Members Evelyn M. Poness (Chairperson), Kathleen P. Fitzpatrick, John P. Krawiecki, Robert P. Mearls, Thomas A. Welch

Board Administrator Maryclare Siegel

ACTUARIAL

Funded Ratio 73.1%

Date of Last Valuation 1/04

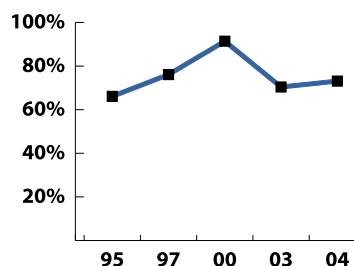
Actuary Mellon

Assumed Rate of Return 8.25%

Funding Schedule Increasing 4.5%
Year Fully Funded 2022

Active Members 603
Retired Members 527

Funded Ratio



INVESTMENT

2004 Return 14.20%

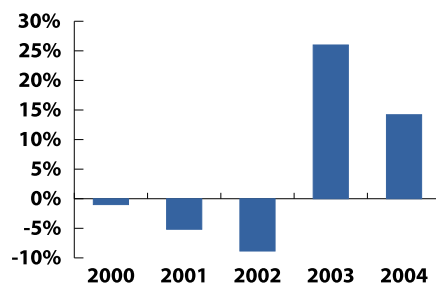
2004 Target Return 8.12%

2004 Market Value \$92.2M

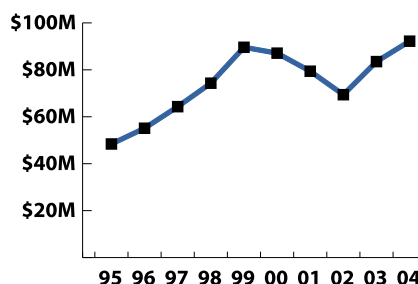
2000-2004 Return (Annualized) 4.25%

1985-2004 Return (Annualized) 11.38%

Investment Return (2000 - 2004)



Asset Growth - Market Value (1995 - 2004)



INVESTMENT VENDOR

- PRIT

NEW BEDFORD

700 Pleasant Street, 4th Floor, New Bedford, MA 02740

Phone 508-979-1538

Fax 508-979-1799

Board Meeting Usually last Thursday of each month at 9:00 am

Board Members Arthur J. Caron, Jr. (Chairperson), Dennis Brightman, Paul M. Lestage, Peter C. Schmidt, Edward J. Wiley

Board Administrator Gerard Arnaudet

ACTUARIAL

Funded Ratio 46.1%

Date of Last Valuation 1/04

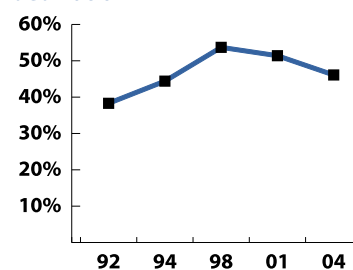
Actuary Mellon

Assumed Rate of Return 8.50%

Funding Schedule Increasing 4.5%
Year Fully Funded 2024

Active Members 2,267
Retired Members 1,401

Funded Ratio



INVESTMENT

2004 Return 12.88%

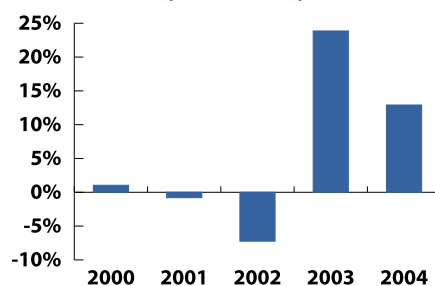
2004 Target Return 9.50%

2004 Market Value \$183.5M

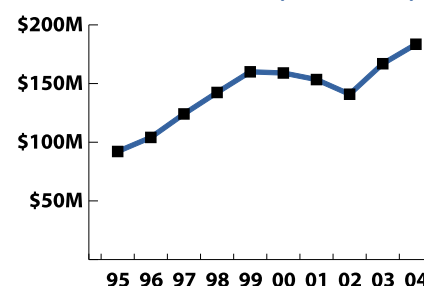
2000-2004 Return (Annualized) 5.39%

1985-2004 Return (Annualized) 8.92%

Investment Return (2000 - 2004)



Asset Growth - Market Value (1995 - 2004)



INVESTMENT VENDORS

Domestic Equity

- Alliance Capital Management, L.P.
- Boston Company
- PRIT
- Westfield Capital Management Company, LLC

International Equity

- Boston Company International Equity Fund

Fixed Income

- Deutsche Asset Management
- Loomis Sayles Fixed Income Fund

Alternative Investments

- INVESCO Venture Partnership Fund IV, L.P.
- Wilton Private Market Specialized Fund, LLC

Real Estate

- MetLife Tower Fund
- UBS Real Estate Separate Account (RESA)

Consultant

- Segal Advisors

Custodian

- Investors Bank & Trust

NEWBURYPORT

City Hall, Pleasant Street, Newburyport, MA 01950

Phone 978-465-6619

Fax 978-462-4042

Board Meeting Last Thursday of each month

Board Members Franklin J. Spaulding (Chairperson), Paula Fowler, Maura L. Perkins, William B. Squillace, Christopher R. Sullivan

Board Administrator Laurie Burton

ACTUARIAL

Funded Ratio 51.2%

Date of Last Valuation 1/04

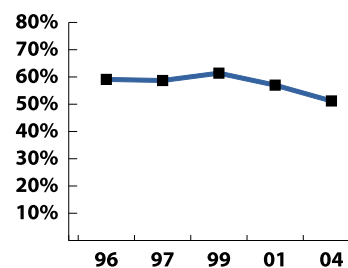
Actuary John Hancock

Assumed Rate of Return 8.00%

Funding Schedule Increasing 4.3%
Year Fully Funded 2025

Active Members 344
Retired Members 215

Funded Ratio



INVESTMENT

2004 Return 13.31%

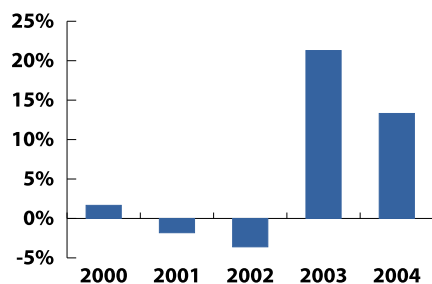
2004 Target Return 8.00%

2004 Market Value \$33.2M

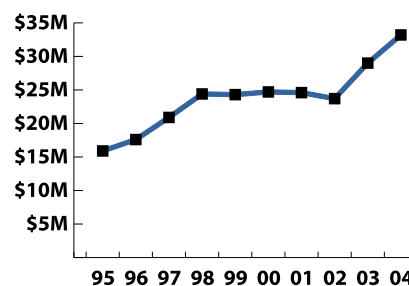
2000-2004 Return (Annualized) 5.75%

1985-2004 Return (Annualized) 9.09%

Investment Return (2000 - 2004)



Asset Growth - Market Value (1995 - 2004)



INVESTMENT VENDOR

• PRIT

NEWTON

1000 Commonwealth Avenue, Newton Centre, MA 02459-1449

Phone 617-796-1095

Fax 617-796-1098

Board Meeting Third Wednesday of the month at 3:00 pm

Board Members Nunzio J. Piselli (Chairperson), Paul Bianchi, Francis P. Capello, Jr., Richard C. Heidlage, David C. Wilkinson

Board Administrator Kelly Byrne

ACTUARIAL

Funded Ratio 66.7%

Date of Last Valuation 1/04

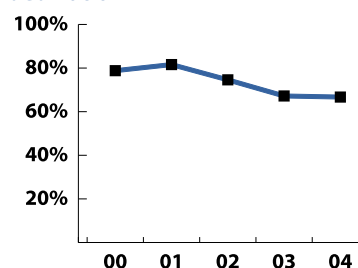
Actuary Mellon

Assumed Rate of Return 8.00%

Funding Schedule Increasing 4.5%
Year Fully Funded 2028

Active Members 1,741
Retired Members 1,273

Funded Ratio



INVESTMENT

2004 Return 12.66%

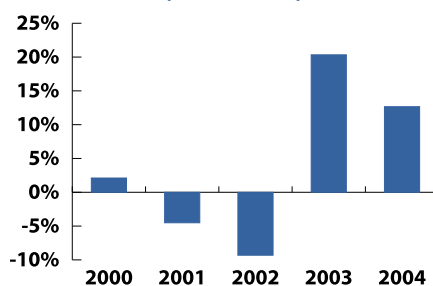
2004 Target Return 9.00%

2004 Market Value \$238.8M

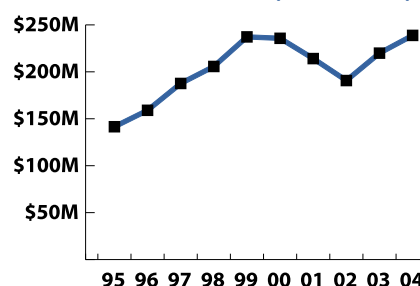
2000-2004 Return (Annualized) 3.69%

1985-2004 Return (Annualized) 10.23%

Investment Return (2000 - 2004)



Asset Growth - Market Value (1995 - 2004)



INVESTMENT VENDORS

Domestic Equity

- Babson Capital Management LLC
- Franklin Portfolio Associates EB Core Mid Cap Stock Fund
- Freedom Equity Style Fund
- Freedom Large Cap Value Fund
- Mellon EB Large Cap Growth Fund

International Equity

- Boston Company International Equity Fund
- SSgA Daily International Alpha Securities Lending Fund

Fixed Income

- Wellington Trust Co.-CIF II Core Bond Fund
- Wellington Trust Co.-CIF II Upper Tier High Yield Portfolio

Real Estate

- Carey Corporate Properties Associates Fund 15
- Fidelity Real Estate Asset Manager III, L.P.
- Fidelity Real Estate Growth Fund II, L.P.
- Prudential Real Estate Investors (PRISA Fund)

Consultant

- Segal Advisors

Custodian

- Mellon Trust

NORFOLK COUNTY

480 Neponset Street, Building 15, Canton, MA 02021

Phone 781-821-0664 or 1-800-247-9992

Fax 781-821-0981

Board Meeting Last Wednesday of each month

Board Members Joseph A. Connolly (Chairperson), Paul J. Connors, Edwin S. Little, Thomas A. Rorrie, Josephine E. Shea

Board Administrator John F. Keenan

ACTUARIAL

Funded Ratio 61.5%

Date of Last Valuation 1/03

Actuary Mellon

Assumed Rate of Return 8.50%

Funding Schedule Increasing 3.0%*

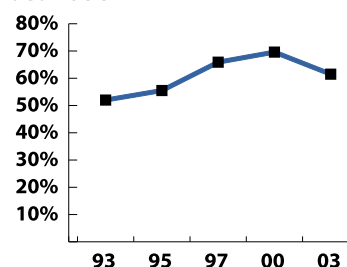
Year Fully Funded 2028

* weighted

Active Members 5,282

Retired Members 2,524

Funded Ratio



INVESTMENT

2004 Return 10.70%

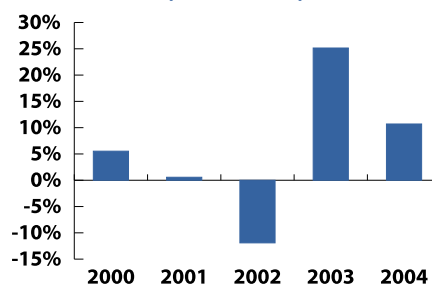
2004 Target Return 10.68%

2004 Market Value \$465.2M

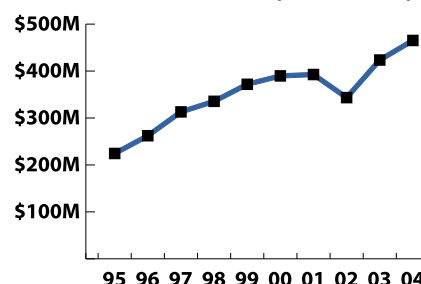
**2000-2004 Return
(Annualized)** 5.31%

**1985-2004 Return
(Annualized)** 10.09%

Investment Return (2000 - 2004)



Asset Growth - Market Value (1995 - 2004)



INVESTMENT VENDORS

Domestic Equity

- BlackRock Capital Management
- Boston Company
- Freedom Capital Management Corporation
- Independence Investment, LLC
- INTECH Risk Managed Large Cap Growth Fund
- MFS Institutional Advisors, Inc.
- RhumbLine Russell 1000 Value Pooled Index Fund
- SSgA Russell 1000 Growth SL Fund

International Equity

- Fisher Investments, Inc.
- Foreign & Colonial Emerging Markets Limited
- MFS Institutional Advisors, Inc.

Fixed Income

- IR&M Core Bond Fund
- Loomis, Sayles & Company, L.P.
- SSgA 1-3 Year Treasury Fund
- Wellington Management Company

International Fixed Income

- Wellington Trust Co.-CIF International Bond Unhedged Portfolio

Real Estate

- Clarion Lion Properties Fund
- Intercontinental Real Estate Investment Fund III, LLC
- INVESCO IRT Equity Real Estate Securities Fund
- Sentinel Realty Partners IV, V
- TA Realty Associates Fund V, VII

Alternative Investments

- Ascend Ventures, L.P.
- Boston Millennia Partners, L.P.
- Boston Millennia Partners II, L.P.
- CHL Medical Partners II, L.P.
- Collier International Partners IV
- Halpern Denny Fund II & III, L.P.
- Inflection Point Ventures, L.P.
- New England Growth Fund II, L.P.
- PRISM Venture Partners IV, L.P.
- Triumph Partners III, L.P.

- Wilshire Private Markets Fund II, IV

Hedge Fund

- Mesirow Absolute Return Fund
- Preferred Investors, L.P.

Commission Recapture

- Donaldson & Company
- Rochdale Securities Corp.

Consultant

- Wainwright Investment Counsel, LLC

Custodian

- State Street

NORTH ADAMS

P. O. Box 229, North Adams, MA 01247

Phone 413-663-5185

Fax 413-664-9412

Board Meeting Varies

Board Members James D. Brown (Chairperson), Alan Marden, Lawrence R. O'Brien, Fred T. Thompson, Kathleen A. Wall

Board Administrator Beverly Cooper

ACTUARIAL

Funded Ratio 67.8%

Date of Last Valuation 1/03

Actuary PERAC

Assumed Rate of Return 8.00%

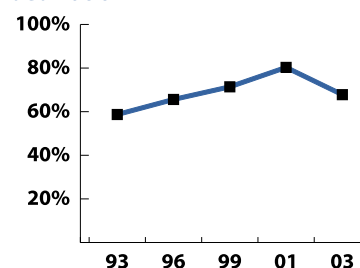
Funding Schedule Increasing 3.0%

Year Fully Funded 2028

Active Members 259

Retired Members 202

Funded Ratio



INVESTMENT

2004 Return 6.89%

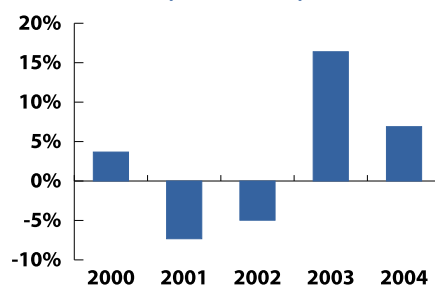
2004 Target Return 8.00%

2004 Market Value \$31.7M

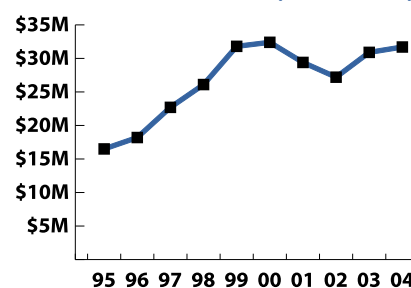
**2000-2004 Return
(Annualized)** 2.58%

**1985-2004 Return
(Annualized)** 10.61%

Investment Return (2000 - 2004)



Asset Growth - Market Value (1995 - 2004)



INVESTMENT VENDORS

Domestic Equity

- de Burlo Group

Fixed Income

- de Burlo Group

Custodian

- Bank of America

NORTH ATTLEBORO

P. O. Box 574, North Attleboro, MA 02761-0574

Phone 508-699-0119

Fax 508-699-0127

Board Meeting Last Tuesday of each month at 10:00 am

Board Members Edward G. Lambert, Jr. (Chairperson), Dorothy H. Baker, Jack J. Bush, Patricia A. Shapiro, Paula J. Veilleux

Board Administrator Debra A. Bush

ACTUARIAL

Funded Ratio 82.4%

Date of Last Valuation 1/04

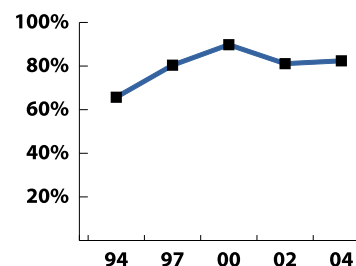
Actuary Mellon

Assumed Rate of Return 8.00%

Funding Schedule Increasing 4.5%
Year Fully Funded 2028

Active Members 515
Retired Members 191

Funded Ratio



INVESTMENT

2004 Return 11.26%

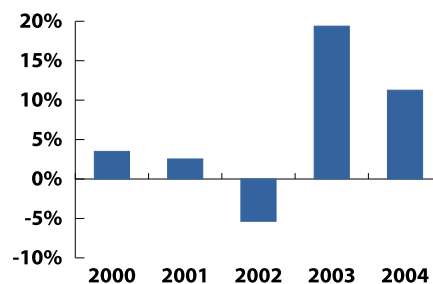
2004 Target Return 8.85%

2004 Market Value \$50.8M

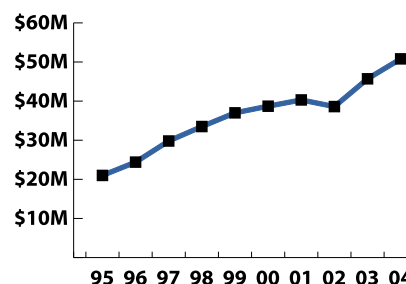
2000-2004 Return (Annualized) 5.93%

1985-2004 Return (Annualized) 9.95%

Investment Return (2000 - 2004)



Asset Growth - Market Value (1995 - 2004)



INVESTMENT VENDORS

Domestic Equity

- Columbia Management Group, Inc.
- RhumbLine S&P 500 Pooled Index Fund

International Equity

- Boston Company International Equity Fund

Fixed Income

- Freedom Capital Management Corporation (Core)
- Freedom Core Plus Fixed Income Fund

Consultant

- Advest Custom Consulting

Custodian

- Investors Bank & Trust

NORTHAMPTON

City Hall, Room 3, 210 Main Street, Northampton, MA 01060

Phone 413-587-1211

Fax 413-587-1278

Board Meeting Last Tuesday or Thursday of each month

Board Members Shirley A. LaRose (Chairperson), John P. Musante, Christopher B. Pile, A. Edwin Putnam, Russell E. Smith

Board Administrator Barbara Weeks

ACTUARIAL

Funded Ratio 61.5%

Date of Last Valuation 1/03

Actuary Stone

Assumed Rate of Return 7.75%

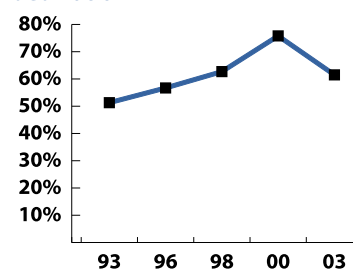
Funding Schedule Increasing 4.5%

Year Fully Funded 2028

Active Members 615

Retired Members 287

Funded Ratio



INVESTMENT

2004 Return 8.66%

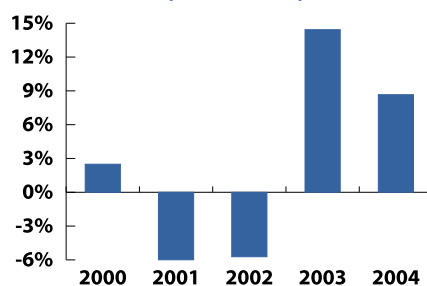
2004 Target Return 7.75%

2004 Market Value \$55.2M

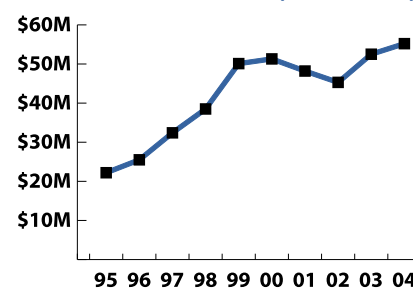
**2000-2004 Return
(Annualized)** 2.47%

**1985-2004 Return
(Annualized)** 10.37%

Investment Return (2000 - 2004)



Asset Growth - Market Value (1995 - 2004)



INVESTMENT VENDORS

Domestic Equity

- de Burlo Group

Fixed Income

- de Burlo Group

Custodian

- Investors Bank & Trust

NORTHBRIDGE

Town Hall, 7 Main Street, Whitinsville, MA 01588

Phone 508-234-0820

Fax 508-234-5834

Board Meeting Third Wednesday of each month

Board Members John Meagher (Chairperson), Muriel Barry, Theresa Cenedella, Jeanne Sohigian, Sharon Susienka

Board Administrator Beth A. Desmarais

ACTUARIAL

Funded Ratio 63.9%

Date of Last Valuation 1/04

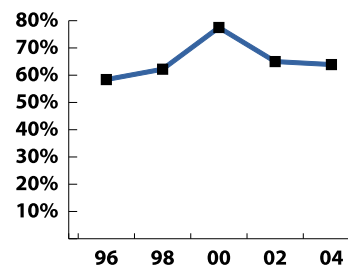
Actuary Stone

Assumed Rate of Return 8.00%

Funding Schedule Increasing 3.75%
Year Fully Funded 2028

Active Members 168
Retired Members 96

Funded Ratio



INVESTMENT

2004 Return 14.56%

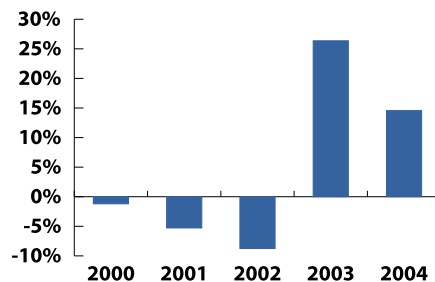
2004 Target Return 8.12%

2004 Market Value \$15.6M

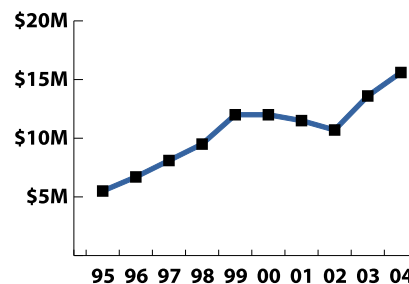
2000-2004 Return (Annualized) 4.33%

1985-2004 Return (Annualized) 10.83%

Investment Return (2000 - 2004)



Asset Growth - Market Value (1995 - 2004)



INVESTMENT VENDOR

- PRIT

NORWOOD

Municipal Building, 566 Washington Street, Norwood, MA 02062

Phone 781-762-1240

Fax 781-278-3024

Board Meeting Second Tuesday of each month at 10:00 am

Board Members Julia E. Lundin (Chairperson), Joseph F. Curran, Eileen P. Hickey, George Thomas, Robert M. Thornton

Board Administrator Debra A. Lorenzo

ACTUARIAL

Funded Ratio 80.5%

Date of Last Valuation 1/04

Actuary Mellon

Assumed Rate of Return 8.00%

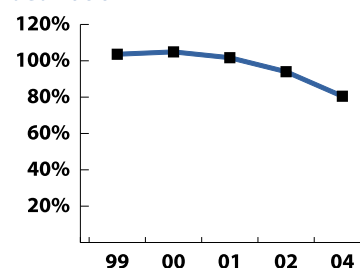
Funding Schedule Increasing 4.5%

Year Fully Funded 2028

Active Members 554

Retired Members 368

Funded Ratio



INVESTMENT

2004 Return 10.15%

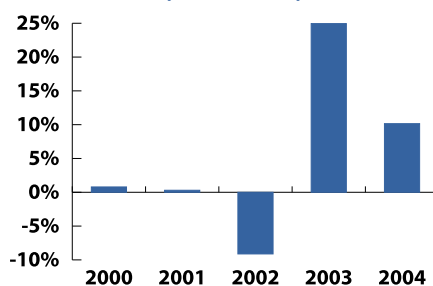
2004 Target Return 8.50%

2004 Market Value \$94.6M

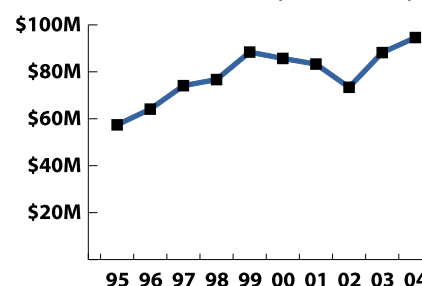
2000-2004 Return (Annualized) 4.80%

1985-2004 Return (Annualized) 10.39%

Investment Return (2000 - 2004)



Asset Growth - Market Value (1995 - 2004)



INVESTMENT VENDORS

Domestic Equity

- Boston Company
- Legg Mason Capital Management
- SSgA U.S. Core Opportunities Fund

International Equity

- EuroPacific Growth Fund

Fixed Income

- Standish Mellon EB MBA Aggregate Bond Index Fund

Consultant

- William M. Mercer

Custodian

- Investors Bank & Trust

PEABODY

City Hall, 24 Lowell Street, Peabody, MA 01960

Phone 978-538-5911

Fax 978-538-5989

Board Meeting Varies

Board Members Richard A. Yagjian (Chairperson), Richard M. Bettencourt, Joseph DiFranco, Sr., John J. McGinn, Patricia Davis Schaffer

Board Administrator Linda Cavallon

ACTUARIAL

Funded Ratio 62.1%

Date of Last Valuation 1/04

Actuary Mellon

Assumed Rate of Return 8.25%

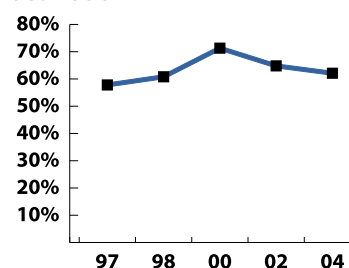
Funding Schedule Level

Year Fully Funded 2028

Active Members 835

Retired Members 824

Funded Ratio



INVESTMENT

2004 Return 9.81%

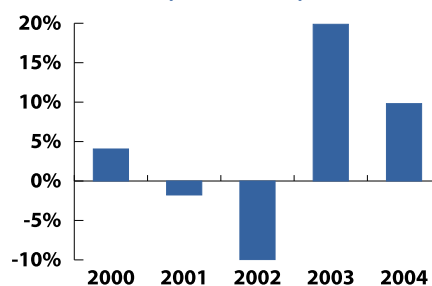
2004 Target Return 8.80%

2004 Market Value \$98.1M

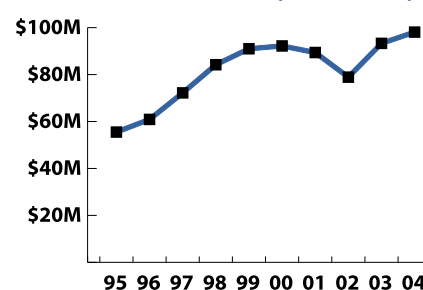
**2000-2004 Return
(Annualized)** 3.91%

**1985-2004 Return
(Annualized)** 10.35%

Investment Return (2000 - 2004)



Asset Growth - Market Value (1995 - 2004)



INVESTMENT VENDORS

Domestic Equity

- Freedom Capital Management Corporation
- Freedom Equity Style Fund
- Freedom Large Cap Value Fund
- Independence Small Cap Fund

International Equity

- Boston Company International Equity Fund

Fixed Income

- Freedom Core Plus Fixed Income Fund

Custodian

- Investors Bank & Trust

PITTSFIELD

City Hall, Room 109, 70 Allen Street, Pittsfield, MA 01201

Phone 413-499-9468

Fax 413-499-9328

Board Meeting Varies

Board Members Gerard E. Miller (Chairperson), G. Richard Bordeau, Timothy A. Hannigan, James J. Mooney, Edward M. Reilly

Board Administrator Karen Lancto

ACTUARIAL

Funded Ratio 55.8%

Date of Last Valuation 1/04

Actuary PERAC

Assumed Rate of Return 8.25%

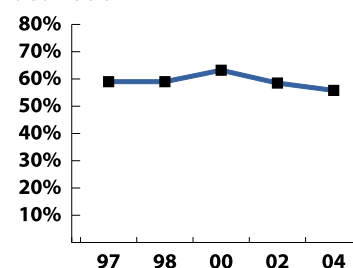
Funding Schedule Increasing 4.5%

Year Fully Funded 2028

Active Members 961

Retired Members 732

Funded Ratio



INVESTMENT

2004 Return 8.90%

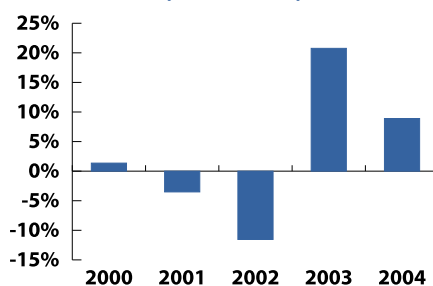
2004 Target Return 9.50%

2004 Market Value \$82.7M

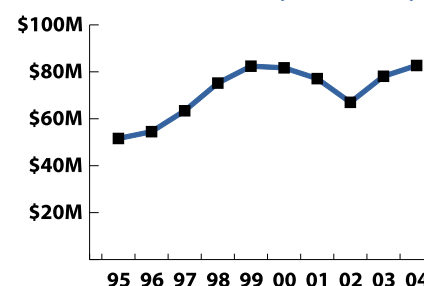
2000-2004 Return (Annualized) 2.61%

1985-2004 Return (Annualized) 9.71%

Investment Return (2000 - 2004)



Asset Growth - Market Value (1995 - 2004)



INVESTMENT VENDORS

Domestic Equity

- Mass Mutual (DLB) Small Company Opportunities Fund
- Freedom Capital Management Corporation
- Freedom Equity Style Fund
- Freedom Large Cap Value Fund
- Freedom Style Weighted Concentrated Fund
- Legacy Portfolio Management
- State Street Research Aurora Class S Fund

International Equity

- Freedom International Fund

- SSgA International Growth Opportunities Fund

Fixed Income

- Freedom Core Plus Fixed Income Fund

Real Estate

- Sentinel Realty Partners VI
- UBS Real Estate Separate Account (RESA)

Consultant

- Segal Advisors

Custodian

- State Street

PLYMOUTH

11 Lincoln Street, Plymouth, MA 02360-3325

Phone 508-830-4170

Fax 508-830-4019

Board Meeting Varies

Board Members Thomas M. Kelley (Chairperson), Shawn H. Duhamel, Richard A. Manfredi, Bruce Miller, John E. Murphy, Jr.

Board Administrator Debra J. Sullivan

ACTUARIAL

Funded Ratio 62.3%

Date of Last Valuation 1/03

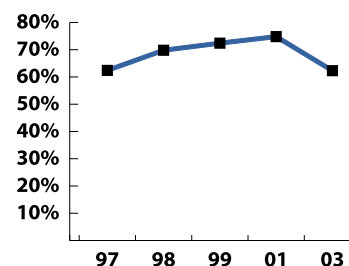
Actuary Stone

Assumed Rate of Return 8.25%

Funding Schedule Increasing 4.25%
Year Fully Funded 2028

Active Members 1,034
Retired Members 400

Funded Ratio



INVESTMENT

2004 Return 11.51%

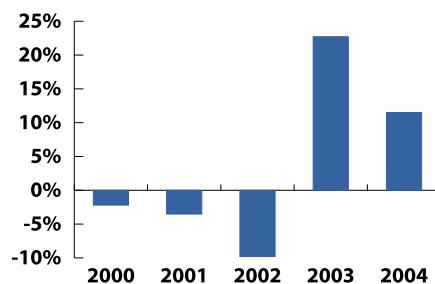
2004 Target Return 9.25%

2004 Market Value \$94.3M

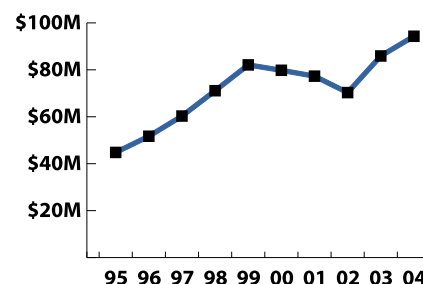
2000-2004 Return (Annualized) 3.10%

1985-2004 Return (Annualized) 10.08%

Investment Return (2000 - 2004)



Asset Growth - Market Value (1995 - 2004)



INVESTMENT VENDORS

Domestic Equity

- Earnest Partners, LLC
- INVESCO Capital Management, Inc.
- SSgA S&P 500 Flagship Fund
- Wellington Trust Co.-CIF Research Equity Fund

International Equity

- Templeton Foreign Equity Series Fund

Fixed Income

- MacKay Shields High Yield Commingled Trust
- Wellington Trust Co.-CIF II Core Bond Fund

Real Estate

- Intercontinental Real Estate Investment Fund IV, LLC
- PRIT

Consultant

- Segal Advisors

Custodian

- State Street

PLYMOUTH COUNTY

10 Cordage Park Circle, Suite 234, North Plymouth, MA 02360

Phone 508-830-1803

Fax 508-830-1875

Board Meeting

Last Tuesday of each month

Board Members

John F. McLellan (Chairperson), John G. Duggan, James E. Harrington, Joseph F. McDonough, John F. Sciarra

Board Administrator

William Farmer

ACTUARIAL

Funded Ratio 64.8%

Date of Last Valuation 1/04

Actuary Mellon

Assumed Rate of Return 8.50%

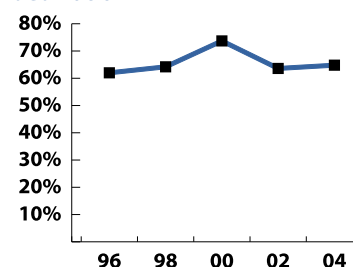
Funding Schedule Increasing 4.5%

Year Fully Funded 2026

Active Members 6,838

Retired Members 2,906

Funded Ratio



INVESTMENT

2004 Return 12.54%

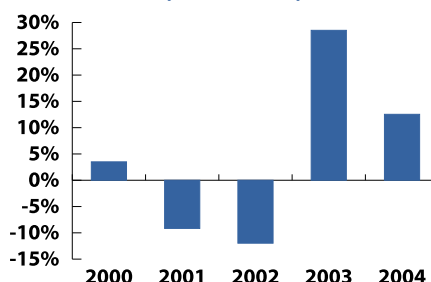
2004 Target Return 9.86%

2004 Market Value \$525.0M

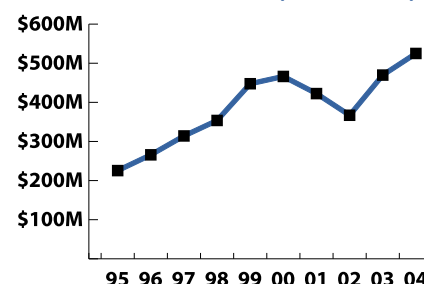
2000-2004 Return (Annualized) 3.66%

1985-2004 Return (Annualized) 10.85%

Investment Return (2000 - 2004)



Asset Growth - Market Value (1995 - 2004)



INVESTMENT VENDORS

Domestic Equity

- Boston Company Premier Value Equity Fund
- Columbia Management Group, Inc.
- Delaware Investment Advisors
- Evergreen Investment Management Corporation
- Freedom Capital Management Corporation
- Independence Investment, LLC
- Putnam Mid Cap Growth Trust
- QCI Asset Management, Inc.
- RhumbLine Russell 200 Index Fund
- SSgA Russell 2000 Growth Index Fund

International Equity

- Bank of Ireland Asset Mgmt SAF International Equity Sub Trust
- Boston Company Emerging Markets Pooled Fund
- Boston Company International Small Cap Equity Fund
- Brandywine International Equity Value Fund
- Rexiter Active Emerging Markets Fund

- SSgA MSCI-EAFE Index Securities Lending Fund

Fixed Income

- CMG High Yield Fund
- Income Research & Management
- McDonnell Investment Management, LLC
- SSgA Short-Term Investment Fund
- UBS (Brinson) U.S. Bond Relationship Fund

International Fixed Income

- Phoenix Aberdeen International Bond Portfolio

Real Estate

- BlackRock Apartment Value Fund II, L.P.
- Intercontinental Real Estate Investment Fund III & IV, LLC
- INVESCO IRT Equity Real Estate Securities Fund
- Metric Apartment Co-Investment Trust Fund (MAC Trust)
- Metric Institutional Apartment Fund I
- Multi-Employer Property Trust
- SSgA Tuckerman—Multi-Family Development Program III

- Prudential Real Estate Investors (PRISA Fund)

Alternative Investments

- Ascend Ventures II, L.P.
- Ascent Venture Partners IV, L.P.
- Charles River Partnership VI-A, VI, VIII, IX, X, XI
- DN Partners, L.P.
- Leeds Weld Equity Partners IV, L.P.
- LODH Euro Choice II
- New England Growth Fund I & II, L.P.
- Senior Tour Players Fund I

Commission Recapture

- Trading Partners

Consultant

- Wainwright Investment Counsel, LLC

Custodian

- State Street

QUINCY

1250 Hancock Street, Suite 506S, Quincy, MA 02169

Phone 617-376-1075

Fax 617-376-1149

Board Meeting Last Wednesday of each month at 2:30 pm

Board Members George F. McCray (Chairperson), Richard P. Crespi, Richard D. Fitzpatrick, Francis X. McCauley, Roger E. Perfetti

Board Administrator Edward J. Masterson

ACTUARIAL

Funded Ratio 53.0%

Date of Last Valuation 1/03

Actuary Stone

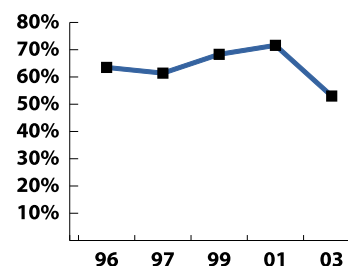
Assumed Rate of Return 8.25%

Funding Schedule Increasing 4.5%
Year Fully Funded 2028

Active Members 1,384

Retired Members 1,800

Funded Ratio



INVESTMENT

2004 Return 10.74%

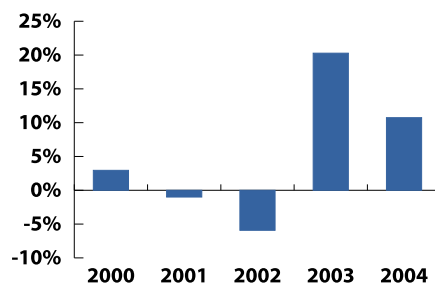
2004 Target Return 8.49%

2004 Market Value \$275.8M

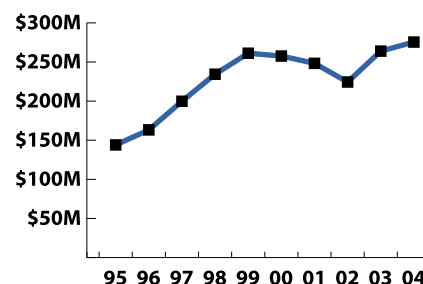
**2000-2004 Return
(Annualized)** 5.02%

**1985-2004 Return
(Annualized)** 9.70%

Investment Return (2000 - 2004)



Asset Growth - Market Value (1995 - 2004)



INVESTMENT VENDORS

Domestic Equity

- ING Investment Management
- Freedom Capital Management Corporation
- RhumbLine S&P 500 Pooled Index Fund

Core

- PRIT

Consultant

- Meketa Investment Group

International Equity

- INVESCO IRT International Equity Fund

Custodian

- State Street

Fixed Income

- GoldenTree High Yield Value Fund
- SSgA Passive Bond Market Index SL Fund

Alternative Investments

- PRIT

READING

16 Lowell Street, Reading, MA 01867

Phone 781-942-9007

Fax 781-942-9037

Board Meeting Third or Fourth Wednesday of each month at 6:00 pm

Board Members Joseph R. Veno (Acting Chairperson), Richard P. Foley, Elizabeth W. Klepeis, Daniel B. Seferian

Board Administrator Karen DeAngelis

ACTUARIAL

Funded Ratio 68.9%

Date of Last Valuation 7/03

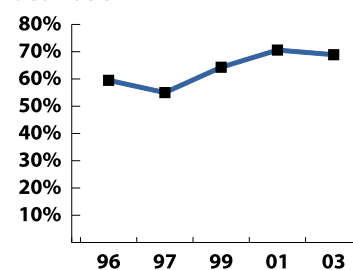
Actuary Segal

Assumed Rate of Return 8.00%

Funding Schedule Increasing 1.5%
Year Fully Funded 2026

Active Members 349
Retired Members 328

Funded Ratio



INVESTMENT

2004 Return 14.43%

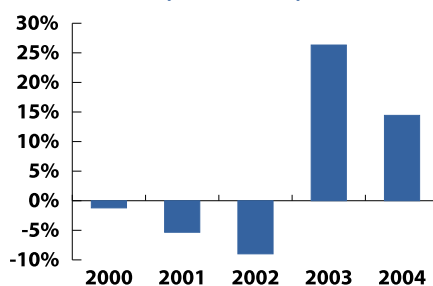
2004 Target Return 8.12%

2004 Market Value \$72.6M

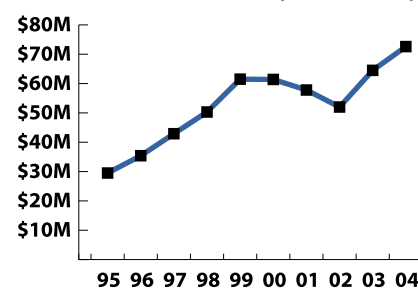
2000-2004 Return (Annualized) 4.24%

1985-2004 Return (Annualized) 10.69%

Investment Return (2000 - 2004)



Asset Growth - Market Value (1995 - 2004)



INVESTMENT VENDOR

- PRIT

REVERE

City Hall, 281 Broadway, Revere, MA 02151

Phone 781-286-8173

Fax 781-284-6999

Board Meeting Varies

Board Members Laurie Giardella (Chairperson), Antonio Cafarelli, Michael Conley, Steven Parsons, David Petrilli

Board Administrator Carolyn M. Russo

ACTUARIAL

Funded Ratio 51.2%

Date of Last Valuation 1/04

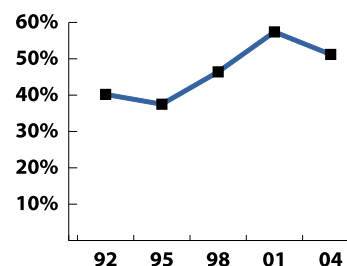
Actuary PERAC

Assumed Rate of Return 8.00%

Funding Schedule Increasing 3.0%
Year Fully Funded 2023

Active Members 412
Retired Members 583

Funded Ratio



INVESTMENT

2004 Return 13.79%

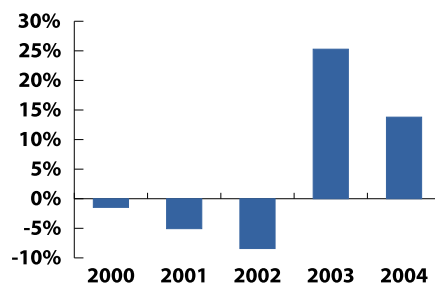
2004 Target Return 8.12%

2004 Market Value \$77.2M

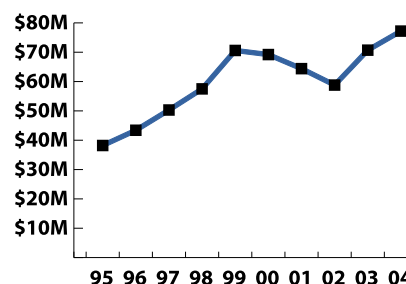
2000-2004 Return (Annualized) 4.08%

1985-2004 Return (Annualized) 9.41%

Investment Return (2000 - 2004)



Asset Growth - Market Value (1995 - 2004)



INVESTMENT VENDOR

- PRIT

SALEM

20 Central Street, Suite 110, Salem, MA 01970
Phone 978-745-8983 **Fax** 978-745-4216

Board Meeting Last Thursday of each month

Board Members Dennis F. Flynn (Chairperson), John H. Burke, Jr., Louis E. Conrad, Bruce M. Guy, Katherine O'Leary

Board Administrator Marcia A. Pelletier

ACTUARIAL

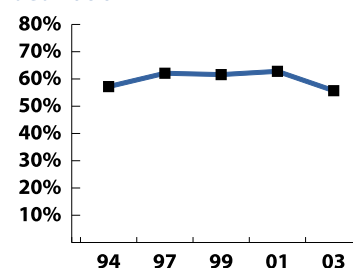
Funded Ratio 55.7%
Date of Last Valuation 1/03

Actuary Buck
Assumed Rate of Return 8.50%

Funding Schedule Increasing 4.5%
Year Fully Funded 2024

Active Members 876
Retired Members 560

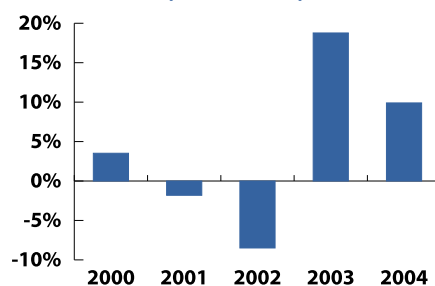
Funded Ratio



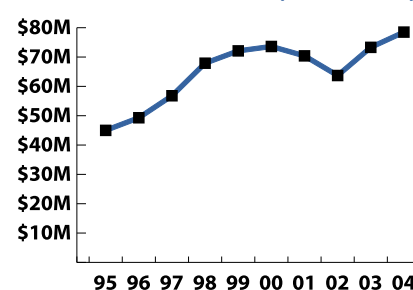
INVESTMENT

2004 Return 9.90%
2004 Target Return 8.50%
2004 Market Value \$78.5M
2000-2004 Return (Annualized) 3.96%
1985-2004 Return (Annualized) 9.71%

Investment Return (2000 - 2004)



Asset Growth - Market Value (1995 - 2004)



INVESTMENT VENDORS

Domestic Equity

- Freedom Equity Style Fund
- Freedom Large Cap Growth Fund
- Freedom Large Cap Value Fund
- Freedom Style-Weighted Concentrated Fund
- Gabelli Asset Management Company
- SSgA Russell 2000 Growth Index Fund
- SSR Small Cap Growth Group Trust

International Equity

- Boston Company International Core Equity Fund

Fixed Income

- Freedom Core Plus Fixed Income Fund
- Income Research & Management

Real Estate

- Fidelity Real Estate Asset Manager III, L.P.
- Fidelity Real Estate Growth Fund II, L.P.
- INVESCO IRT Equity Real Estate Securities Fund

Alternative Investments

- Ascent Venture Partners III, L.P.
- First America Asia Fund I L.P.
- Zero Stage Capital VII, L.P.

Consultant

- Segal Advisors

Custodian

- State Street

SAUGUS

Town Hall Annex, 25 Main Street, Saugus, MA 01906

Phone 781-231-7656

Fax 781-231-4067

Board Meeting First Thursday of each month

Board Members Henry E. MacKenzie (Chairperson), William E. Cross, III, Eugene Decareau, Doreen L. DiBari, Joseph Tassone

Board Administrator Ann C. Quinlan

ACTUARIAL

Funded Ratio 56.6%

Date of Last Valuation 1/03

Actuary PERAC

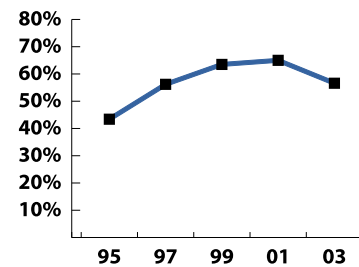
Assumed Rate of Return 8.25%

Funding Schedule Increasing 3.0%
Year Fully Funded 2028

Active Members 337

Retired Members 297

Funded Ratio



INVESTMENT

2004 Return 14.16%

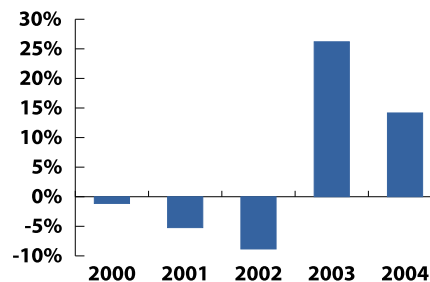
2004 Target Return 8.12%

2004 Market Value \$46.1M

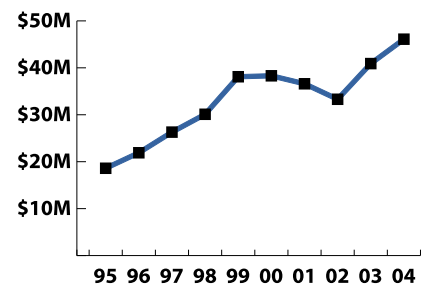
2000-2004 Return (Annualized) 4.24%

1985-2004 Return (Annualized) 10.62%

Investment Return (2000 - 2004)



Asset Growth - Market Value (1995 - 2004)



INVESTMENT VENDOR

- PRIT

SHREWSBURY

100 Maple Avenue, Shrewsbury, MA 01545

Phone 508-841-8510

Fax 508-842-0587

Board Meeting Usually meets the second Friday of each month

Board Members Kevin M. McNeil (Chairperson), Ann M. Dagle, Jay Montgomery, Caryn M. Shea, Mary E. Thompson

Board Administrator Gail A. Sokolowski

ACTUARIAL

Funded Ratio 77.9%

Date of Last Valuation 1/04

Actuary Mellon

Assumed Rate of Return 8.50%

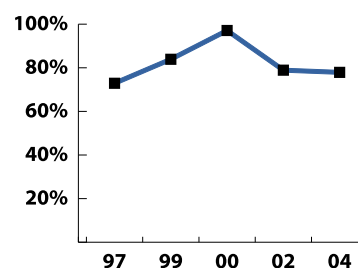
Funding Schedule Increasing 4.5%

Year Fully Funded 2022

Active Members 578

Retired Members 227

Funded Ratio



INVESTMENT

2004 Return 10.90%

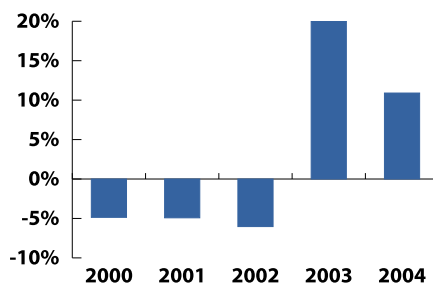
2004 Target Return 8.50%

2004 Market Value \$50.6M

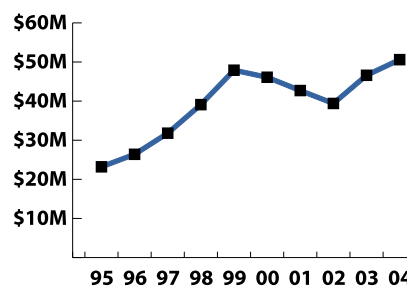
**2000-2004 Return
(Annualized)** 2.49%

**1985-2004 Return
(Annualized)** 10.50%

Investment Return (2000 - 2004)



Asset Growth - Market Value (1995 - 2004)



INVESTMENT VENDORS

Domestic Equity

- Atlanta Capital Management Company, Inc.
- C.S. McKee, L.P.
- Marvin & Palmer U.S. Equity, L.P.
- RhumbLine S&P 500 Pooled Index Fund
- RhumbLine S&P Mid-Cap 400 Pooled Index Fund

International Equity

- SSgA Active International Small Cap SL Common Trust Fund
- SSgA All International Allocation Common Trust Fund

- SSgA Daily Active Emerging Markets Fund
- SSgA Daily International Alpha Securities Lending Fund
- SSgA International Growth Opportunities Fund

Fixed Income

- IR&M Core Bond Fund

Real Estate

- PRIT

Consultant

- Dahab Associates

Custodian

- Investors Bank & Trust

SOMERVILLE

City Hall Annex, 50 Evergreen Avenue, Somerville, MA 02145

Phone 617-625-6600

Fax 617-666-4325

Board Meeting Third Thursday of each month at 8:30 am

Board Members John E. Rourke (Chairperson), Edward F. Bean, Jr., John M. Memory, Lawrence Murphy, Mary A. Phinney

Board Administrator Mary A. Phinney

ACTUARIAL

Funded Ratio 59.1%

Date of Last Valuation 1/04

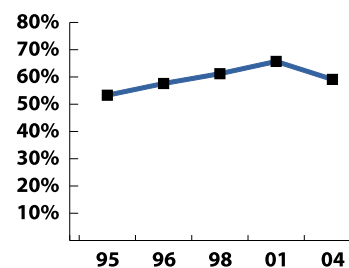
Actuary Mellon

Assumed Rate of Return 8.25%

Funding Schedule Increasing 4.0%
Year Fully Funded 2025

Active Members 1,069
Retired Members 927

Funded Ratio



INVESTMENT

2004 Return 14.23%

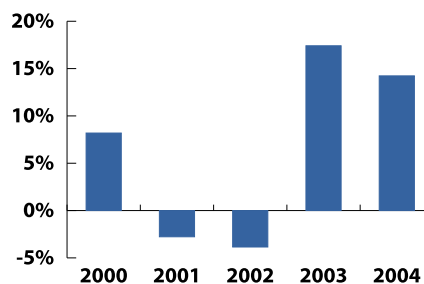
2004 Target Return 8.25%

2004 Market Value \$151.7M

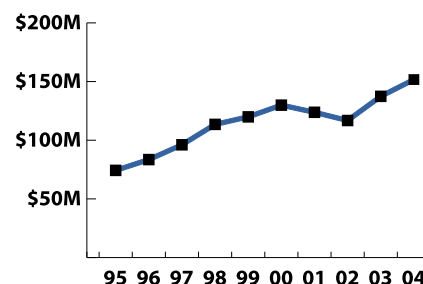
2000-2004 Return (Annualized) 6.29%

1985-2004 Return (Annualized) 9.99%

Investment Return (2000 - 2004)



Asset Growth - Market Value (1995 - 2004)



INVESTMENT VENDORS

Domestic Equity

- Boston Advisors, Inc.
- Congress Asset Management
- RhumbLine S&P 500 Pooled Index Fund
- RhumbLine S&P Mid-Cap 400 Pooled Index Fund
- RhumbLine S&P 600 Small Cap Pooled Index Fund

International Equity

- Lazard Freres International Equity Fund

Fixed Income

- Boston Advisors, Inc.
- Loomis Sayles Fixed Income Fund

Real Estate

- BlackRock Apartment Value Fund II, L.P.
- UBS Real Estate Separate Account (RESA)

Alternative Investments

- Crescent Gate Partners, LLC

Custodian

- Investors Bank & Trust

SOUTHBRIDGE

Town Hall, 41 Elm Street, Southbridge, MA 01550

Phone 508-765-4903

Fax 508-765-0902

Board Meeting Last Wednesday of each month at 10:00 am

Board Members George Fournier (Chairperson), Melinda Ernst, Peter Hapgood, Karen Harnois, Julie Pena

Board Administrator Mary E. St. Germain

ACTUARIAL

Funded Ratio 50.4%

Date of Last Valuation 1/04

Actuary PERAC

Assumed Rate of Return 8.00%

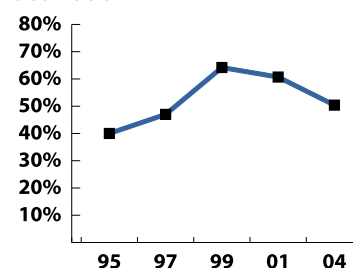
Funding Schedule Increasing 4.5%

Year Fully Funded 2028

Active Members 314

Retired Members 160

Funded Ratio



INVESTMENT

2004 Return 10.37%

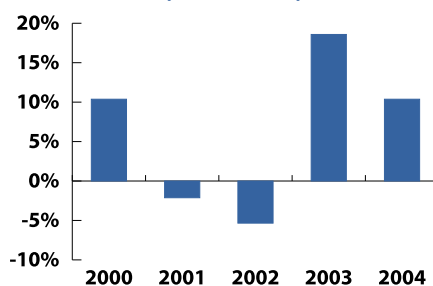
2004 Target Return 8.00%

2004 Market Value \$21.4M

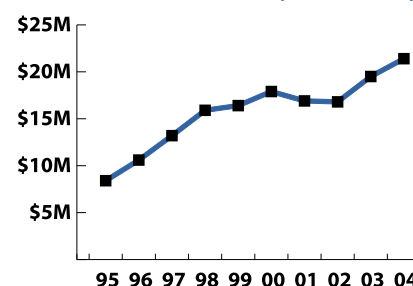
**2000-2004 Return
(Annualized)** 6.00%

**1985-2004 Return
(Annualized)** 9.96%

Investment Return (2000 - 2004)



Asset Growth - Market Value (1995 - 2004)



INVESTMENT VENDORS

Domestic Equity

- Dreyfus EB Core Small Cap Fund
- Freedom Equity Style Fund
- Freedom Large Cap Growth Fund
- Freedom Large Cap Value Fund

International Equity

- INVESCO IRT International Equity Fund

Fixed Income

- Freedom Capital Management Corporation
- Freedom Core Plus Fixed Income Fund

Real Estate

- INVESCO IRT Equity Real Estate Securities Fund

Consultant

- Segal Advisors

Custodian

- State Street

SPRINGFIELD

70 Tapley Street, Springfield, MA 01104

Phone 413-787-6090

Fax 413-787-6046

Board Meeting Varies

Board Members James F. Harrigan (Chairperson), Mark Ianello, Joseph Nowak, Jeffrey E. Poindexter, Tom Trimarco

Board Administrator Colleen M. Trahan

ACTUARIAL

Funded Ratio 47.3%

Date of Last Valuation 1/04

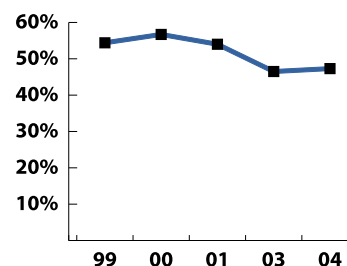
Actuary Mellon

Assumed Rate of Return 8.50%

Funding Schedule Increasing 4.5%
Year Fully Funded 2028

Active Members 3,365
Retired Members 2,933

Funded Ratio



INVESTMENT

2004 Return 11.10%

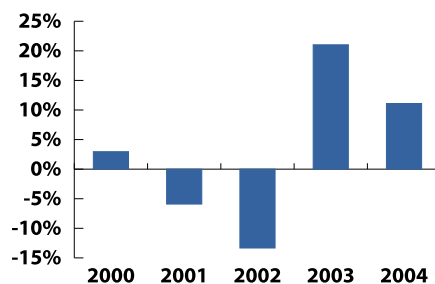
2004 Target Return 8.50%

2004 Market Value \$266.3M

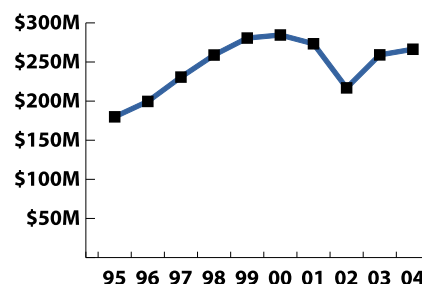
2000-2004 Return (Annualized) 2.45%

1985-2004 Return (Annualized) 9.67%

Investment Return (2000 - 2004)



Asset Growth - Market Value (1995 - 2004)



INVESTMENT VENDORS

Domestic Equity

- Babson Capital Management LLC
- Constitution Research & Management
- Hotchkis and Wiley Capital Management
- Merrill Lynch Equity Index Trust
- Simms Capital Management
- Wellington Trust Co.-CIF Large Cap Research Value Fund

International Equity

- SSgA MSCI-EAFE Index Fund

Fixed Income

- Putnam Advisory Company, LLC
- Seneca Capital Management Company, LLC

Alternative Investments

- Ascend Ventures, L.P.
- Boston Millennia Partners, L.P.
- Boston Millennia Partners II, L.P.
- Crescendo IV, L.P.
- Crescendo World Fund, LLC
- DN Partners, L.P.
- Ticonderoga e-Services I, L.P.

Commission Recapture

- Bank of New York Brokerage, Inc.

Consultant

- CRA RogersCasey

Custodian

- State Street

STATE

One Ashburton Place, Room 1219, Boston, MA 02108

Phone 617-367-7770

Fax 617-723-1438

Board Meeting Last Thursday of each month

Board Members Treasurer and Receiver General Timothy P. Cahill (Chairperson), Christopher S. Condon, Theresa McGoldrick, Peter J. Koutoujian, Sr., Ralph White

Board Administrator Nicola Favorito

ACTUARIAL

Funded Ratio 82.8%

Date of Last Valuation 1/05

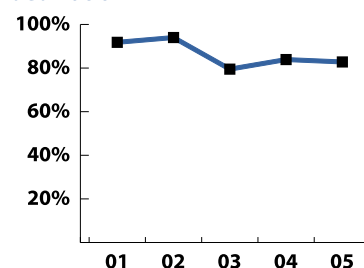
Actuary PERAC

Assumed Rate of Return 8.25%

Funding Schedule Increasing 4.5%
Year Fully Funded 2023

Active Members 81,682
Retired Members 50,907

Funded Ratio



INVESTMENT

2004 Return 14.46%

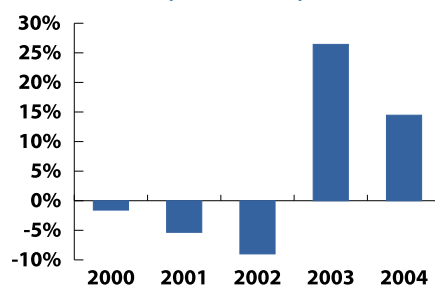
2004 Target Return 8.25%

2004 Market Value \$16.5B

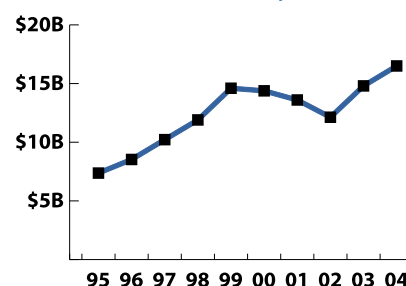
2000-2004 Return (Annualized) 4.18%

1985-2004 Return (Annualized) 10.99%

Investment Return (2000 - 2004)



Asset Growth - Market Value (1995 - 2004)



INVESTMENT VENDOR

- PRIT

STATE TEACHERS

69 Canal Street, Third Floor, Boston, MA 02114-2006

Phone 617-727-3661

Fax 617-727-6797

Board Meeting Varies

Board Members David P. Driscoll (Chairperson), Treasurer and Receiver General Timothy P. Cahill, Auditor of the Commonwealth A. Joseph DeNucci, John A. M. Dow, Jr., Ellen T. Hargraves, George F. McSherry, Linda M. Ruberto

Board Administrator Joan Schloss

ACTUARIAL

Funded Ratio 69.6%

Date of Last Valuation 1/04

Actuary PERAC

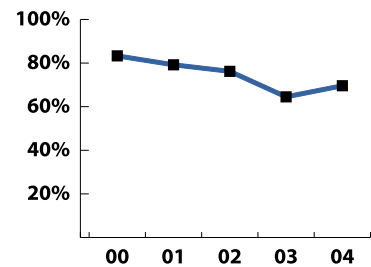
Assumed Rate of Return 8.25%

Funding Schedule Increasing 4.5%
Year Fully Funded 2023

Active Members 87,934

Retired Members 39,341

Funded Ratio



INVESTMENT

2004 Return 14.45%

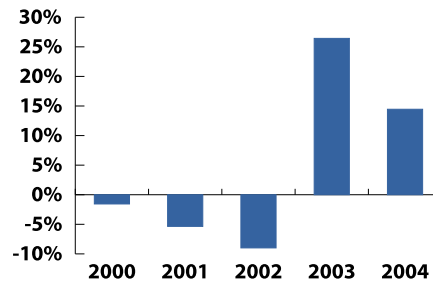
2004 Target Return 8.12%

2004 Market Value \$18.0B

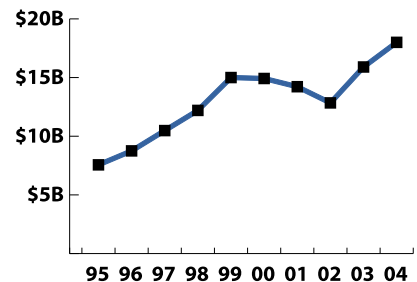
2000-2004 Return (Annualized) 4.17%

1985-2004 Return (Annualized) 11.01%

Investment Return (2000 - 2004)



Asset Growth - Market Value (1995 - 2004)



INVESTMENT VENDOR

- PRIT

STONEHAM

Town Hall, 35 Central Street, Stoneham, MA 02180-2087

Phone 781-279-2635

Fax 781-438-6906

Board Meeting Last Tuesday of each month at 1:00 pm

Board Members Janice T. Houghton (Chairperson), William E. Abbott, Joseph A. DeSisto, James J. McDermott, Jr., Donna Pagliarulo

Board Administrator Elsie M. Wallace

ACTUARIAL

Funded Ratio 60.6%

Date of Last Valuation 1/03

Actuary Mellon

Assumed Rate of Return 8.00%

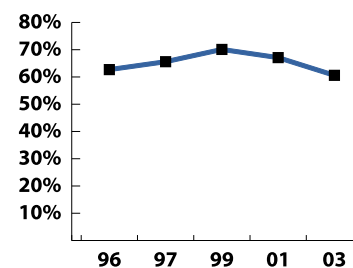
Funding Schedule Increasing 2.5%

Year Fully Funded 2020

Active Members 310

Retired Members 282

Funded Ratio



INVESTMENT

2004 Return 14.38%

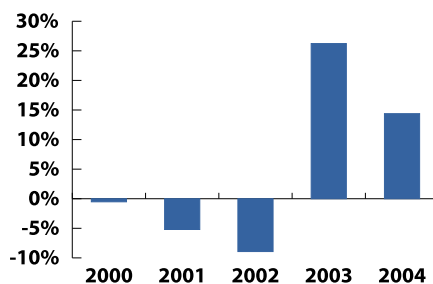
2004 Target Return 8.12%

2004 Market Value \$45.7M

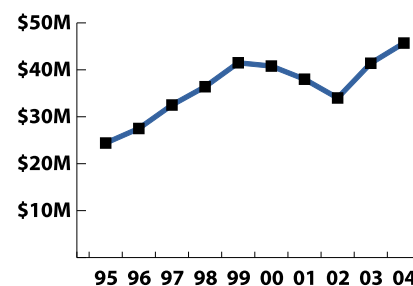
2000-2004 Return (Annualized) 4.40%

1985-2004 Return (Annualized) 9.96%

Investment Return (2000 - 2004)



Asset Growth - Market Value (1995 - 2004)



INVESTMENT VENDOR

- PRIT

SWAMPSCOTT

25 Railroad Avenue, Suite 4, Swampscott, MA 01907

Phone 781-596-8827

Fax 781-596-8899

Board Meeting Third Wednesday of each month

Board Members Jay T. Kiely, Jr. (Chairperson), John F. Behen, Jr., David Castellarin, Francis E. Delano, Thomas H. Driscoll, Jr., Esq.

Board Administrator Richard DiPesa

ACTUARIAL

Funded Ratio 54.4%

Date of Last Valuation 1/04

Actuary Segal

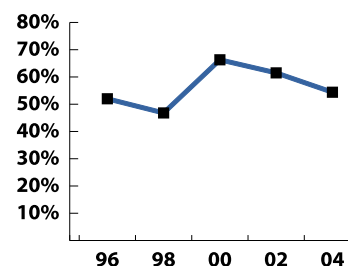
Assumed Rate of Return 8.00%

Funding Schedule Increasing 4.5%
Year Fully Funded 2028

Active Members 263

Retired Members 229

Funded Ratio



INVESTMENT

2004 Return 11.84%

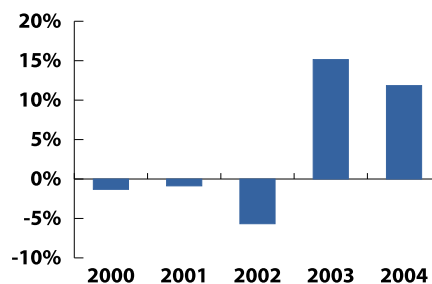
2004 Target Return 8.50%

2004 Market Value \$27.7M

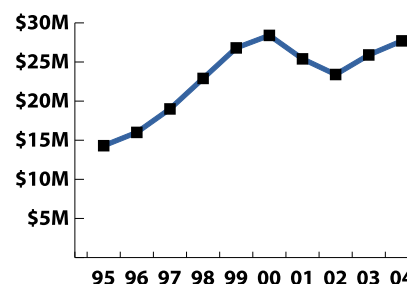
**2000-2004 Return
(Annualized)** 3.51%

**1985-2004 Return
(Annualized)** 10.69%

Investment Return (2000 - 2004)



Asset Growth - Market Value (1995 - 2004)



INVESTMENT VENDORS

Domestic Equity

- Chase Investment Counsel Corporation
- Fox Asset Management

International Equity

- INVESCO IRT International Equity Fund

Fixed Income

- Wells Capital Management, Inc.

Real Estate

- Intercontinental Real Estate Investment Fund III, LLC

Consultant

- Segal Advisors

Custodian

- Investors Bank & Trust

TAUNTON

15 Summer Street, Taunton, MA 02780

Phone 508-821-1052

Fax 508-821-1063

Board Meeting Varies

Board Members Ann Marie Hebert (Chairperson), Richard T. Avila, Peter H. Corr, Shauna McCarty, A. Joan Ventura

Board Administrator Paul J. Slivinski

ACTUARIAL

Funded Ratio 66.6%

Date of Last Valuation 1/04

Actuary Mellon

Assumed Rate of Return 8.00%

Funding Schedule Increasing 4.5%

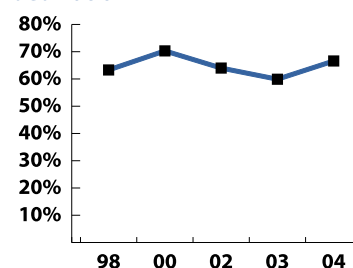
Year Fully Funded 2026 (Active)

2015 (Retired)

Active Members 1,267

Retired Members 663

Funded Ratio



INVESTMENT

2004 Return 12.19%

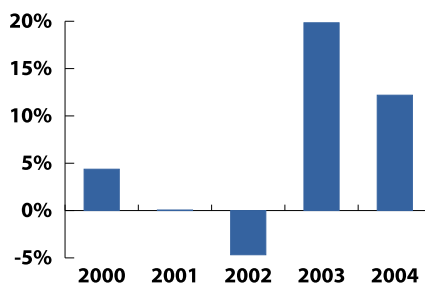
2004 Target Return 9.00%

2004 Market Value \$144.0M

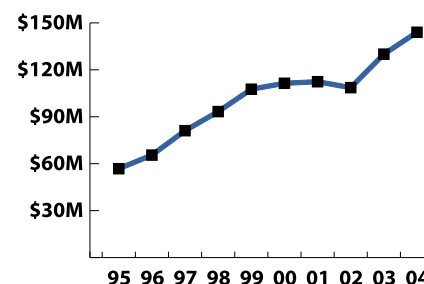
2000-2004 Return (Annualized) 6.00%

1985-2004 Return (Annualized) 11.35%

Investment Return (2000 - 2004)



Asset Growth - Market Value (1995 - 2004)



INVESTMENT VENDORS

Domestic Equity

- Boston Trust & Investment Management Company
- Daruma Asset Management

International Equity

- Boston Company International Equity Fund
- EuroPacific Growth Fund

Fixed Income

- Boston Trust & Investment Management Company
- Wellington Trust Co.-CIF II Core Plus Bond Portfolio

Real Estate

- Fidelity Real Estate Growth Fund, L.P.
- Intercontinental Real Estate Investment Fund III, LLC
- INVESCO IRT Equity Real Estate Securities Fund
- L&B Property Fund IV

Alternative Investments

- Boston Millennia Partners, L.P.
- Boston Millennia Partners II, L.P.
- INVESCO Venture Partnership Fund IV, L.P.

Consultant

- Segal Advisors

Custodian

- State Street

WAKEFIELD

1 Lafayette Street, Wakefield, MA 01880

Phone 781-246-6396

Fax 781-246-2400

Board Meeting Third Thursday of each month

Board Members Kevin Gill, (Chairperson), Daniel Calore, Richard J. DeFelice, Philip Rogers, Sr., Daniel Sherman

Board Administrator Cathy Cheek

ACTUARIAL

Funded Ratio 71.8%

Date of Last Valuation 1/04

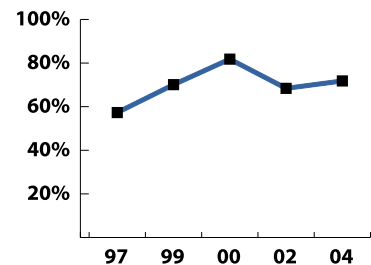
Actuary PERAC

Assumed Rate of Return 8.00%

Funding Schedule Increasing 4.5%
Year Fully Funded 2026

Active Members 445
Retired Members 331

Funded Ratio



INVESTMENT

2004 Return 14.40%

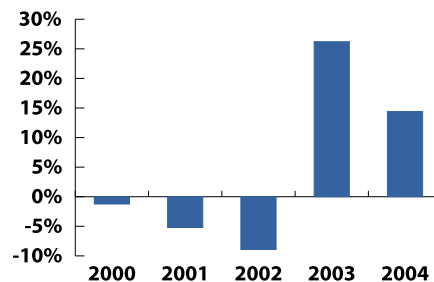
2004 Target Return 8.12%

2004 Market Value \$72.1M

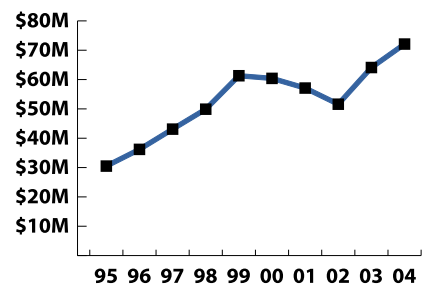
2000-2004 Return (Annualized) 4.25%

1985-2004 Return (Annualized) 11.32%

Investment Return (2000 - 2004)



Asset Growth - Market Value (1995 - 2004)



INVESTMENT VENDOR

- PRIT

WALTHAM

610 Main Street, Waltham, MA 02452

Phone 781-314-3230

Fax 781-314-3236

Board Meeting Varies

Board Members John J. Gorman (Chairperson), William R. MacDonald, Thomas J. Magno, Dennis P. Quinn, Mary W. Rosen

Board Administrator Joseph F. Juppé

ACTUARIAL

Funded Ratio 54.8%

Date of Last Valuation 1/04

Actuary Mellon

Assumed Rate of Return 8.00%

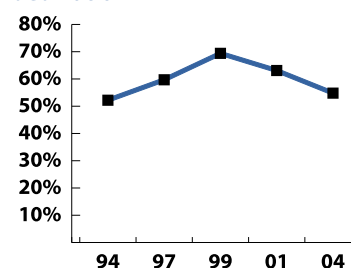
Funding Schedule Increasing 4.5%

Year Fully Funded 2026

Active Members 906

Retired Members 823

Funded Ratio



INVESTMENT

2004 Return 11.50%

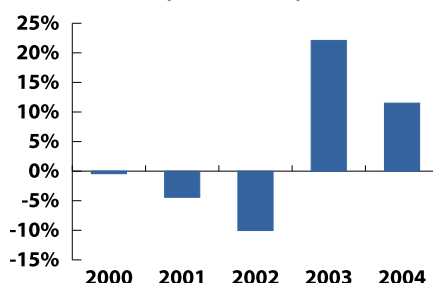
2004 Target Return 8.80%

2004 Market Value \$133.0M

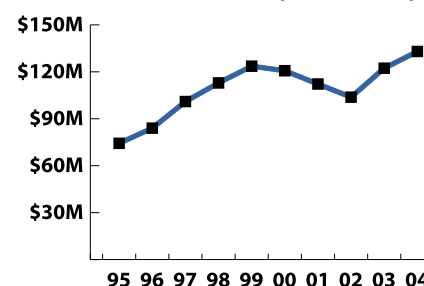
2000-2004 Return (Annualized) 3.11%

1985-2004 Return (Annualized) 10.25%

Investment Return (2000 - 2004)



Asset Growth - Market Value (1995 - 2004)



INVESTMENT VENDORS

Domestic Equity

- Earnest Partners, LLC
- Independence Investments, LLC
- Piedra Capital Management
- SSgA Russell 1000 Growth Index Fund
- SSgA Russell 1000 Value Index Fund

International Equity

- GMO Foreign Fund ERISA Pool

Fixed Income

- CMG High Yield Fund
- Credit Suisse Asset Management

International Fixed Income

- Wellington Trust Co.-CIF International Bond Unhedged Portfolio

Real Estate

- Geometry Real Estate III, L.P.
- Intercontinental Real Estate Investment Fund III, LLC
- SSgA Tuckerman - Multi-Family Development Program II
- SSgA Tuckerman - Residential Income and Value Added (RIVA) Fund

Alternative Investments

- Ascent Venture Partners III, L.P.

- INVESCO Non-U.S. Partnership Fund II, L.P.
- INVESCO U.S. Buyout Partnership Fund II, L.P.
- INVESCO Venture Partnership Fund III, L.P.
- VSS Mezzanine Partners, L.P.

Commission Recapture

- Lynch, Jones & Ryan
- Rochdale Securities Corp

Consultant

- Wainwright Investment Counsel, LLC

Custodian

- State Street

WATERTOWN

P. O. Box 199, 149 Main Street, Watertown, MA 02471-0199

Phone 617-972-6456

Fax 617-923-3531

Board Meeting Varies

Board Members Thomas V. Thibaut, Jr., (Acting Chairperson), James I. Bean, Sharon Gallagher, Wayne MacDonald

Board Administrator Barbara A. Sheehan

ACTUARIAL

Funded Ratio 60.1%

Date of Last Valuation 1/04

Actuary Mellon

Assumed Rate of Return 8.00%

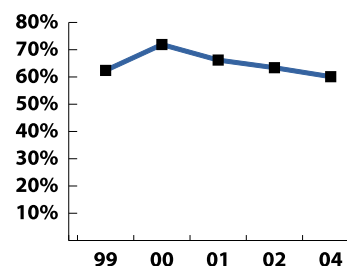
Funding Schedule Increasing 2.5%

Year Fully Funded 2019

Active Members 522

Retired Members 443

Funded Ratio



INVESTMENT

2004 Return 12.40%

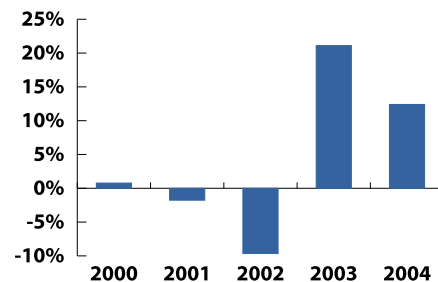
2004 Target Return 9.10%

2004 Market Value \$74.0M

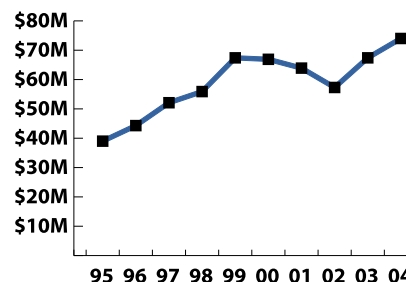
2000-2004 Return (Annualized) 4.02%

1985-2004 Return (Annualized) 9.66%

Investment Return (2000 - 2004)



Asset Growth - Market Value (1995 - 2004)



INVESTMENT VENDORS

Domestic Equity

- Hutchens Investment Management, Inc.
- SSgA S&P 500 Flagship Fund
- Wellington Trust Co.-CIF Small Cap Fund

International Equity

- Boston Company International Equity Fund

Fixed Income

- CMG High Yield Fund
- Fox Asset Management
- IR&M Core Bond Fund
- SSgA Passive Bond Market Index SL Fund

International Fixed Income

- Rogge International Bond Fund

Real Estate

- Clarion Lion Properties Fund
- Intercontinental Real Estate Investment Fund III & IV, LLC
- L&B Property Fund III
- New Boston Institutional Fund, L.P. VI

Alternative Investments

- Auda Ventures, L.P.
- Novo Vita, L.P.
- Novus Ventures II, L.P.

Commission Recapture

- Rochdale Securities Corp.

Consultant

- Wainwright Investment Counsel, LLC

Custodian

- Investors Bank & Trust

WEBSTER

Municipal Building, 350 Main Street, Suite 5, Webster, MA 01570

Phone 508-949-3808

Fax 508-949-3809

Board Meeting Varies

Board Members Paul J. Minarik (Chairperson), Daniel Bonnette, Eleanor P. Doros, Pamela A. Leduc, Louis T. Polletta

Board Administrator Gerry Wentworth

ACTUARIAL

Funded Ratio 44.8%

Date of Last Valuation 1/04

Actuary PERAC

Assumed Rate of Return 8.00%

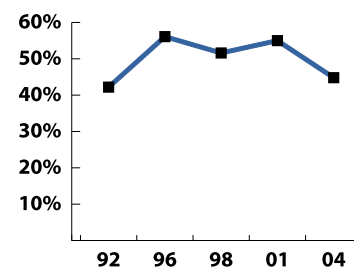
Funding Schedule Increasing 4.5%

Year Fully Funded 2028

Active Members 192

Retired Members 125

Funded Ratio



INVESTMENT

2004 Return 14.86%

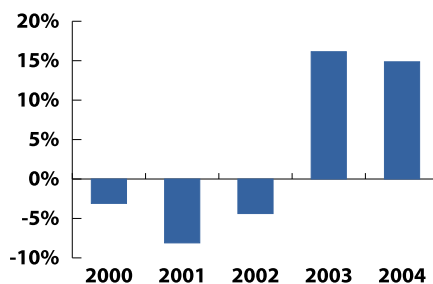
2004 Target Return 9.40%

2004 Market Value \$15.1M

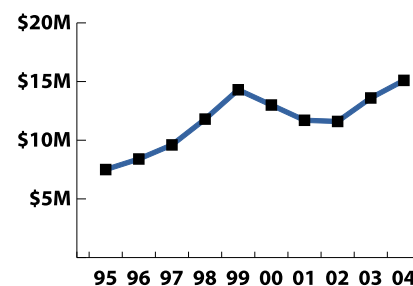
2000-2004 Return (Annualized) 2.58%

1985-2004 Return (Annualized) 9.07%

Investment Return (2000 - 2004)



Asset Growth - Market Value (1995 - 2004)



INVESTMENT VENDORS

Domestic Equity

- Independence Investments, LLC
- RhumbLine Russell 1000 Pooled Index Fund

International Equity

- INVECO IRT International Equity Fund

Fixed Income

- Loomis Sayles Investment Grade Fixed Income Fund

Real Estate

- PRIT

Alternative Investments

- PRIT

Consultant

- Wainwright Investment Counsel, LLC

Custodian

- Investors Bank & Trust

WELLESLEY

Town Hall, 525 Washington Street, Wellesley, MA 02482
Phone 781-431-1019, ext. 216 or 217 **Fax** 781-239-1043

Board Meeting Third Wednesday of the month at 7:30 am

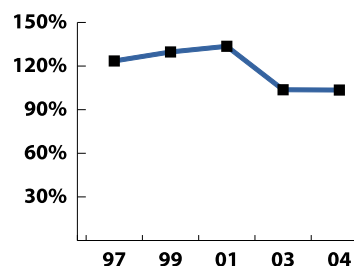
Board Members David N. Kornwitz (Chairperson), Christopher Clark, Joan Donahue, Richard C. Gerard, Derek B. Knight

Board Administrator Laurie A. Lizak

ACTUARIAL

Funded Ratio	103.5%		
Date of Last Valuation	1/04		
Actuary	Mellon		
Assumed Rate of Return	7.50%		
Funding Schedule	Fully Funded	Active Members	595
Year Fully Funded	NA	Retired Members	414

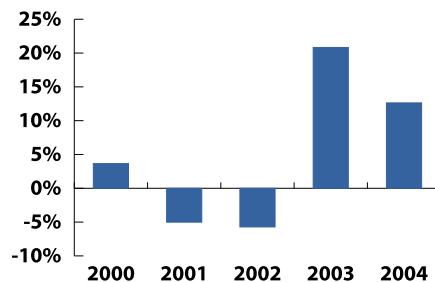
Funded Ratio



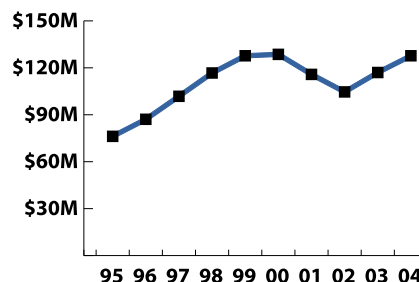
INVESTMENT

2004 Return	12.63%
2004 Target Return	7.60%
2004 Market Value	\$127.7M
2000-2004 Return (Annualized)	4.79%
1985-2004 Return (Annualized)	12.15%

Investment Return (2000 - 2004)



Asset Growth - Market Value (1995 - 2004)



INVESTMENT VENDORS

Domestic Equity

- Boston Company Small Cap Equity Fund
- SSgA Active U.S. Large Cap Value Fund
- SSgA S&P 500 Flagship Fund
- William Blair & Company, LLC

International Equity

- Boston Company International Core Equity Fund

Fixed Income

- Standish Mellon Asset Management
- Standish Mellon Opportunistic High Yield Fund

International Fixed Income

- Standish Mellon International Fixed Income Fund
- Standish Mellon Opportunistic Emerging Markets Debt Fund

Core

- PRIT

Consultant

- William M. Mercer

Custodian

- State Street

WEST SPRINGFIELD

26 Central Street, Suite 1, West Springfield, MA 01089-2753

Phone 413-263-3013

Fax 413-263-3198

Board Meeting Varies

Board Members Raymond N. Spear (Chairperson), Gerard P. Connor, Jr., Stephen P. Hayes, Richard S. Sullivan, Sharon Wilcox

Board Administrator Anne Wojcik

ACTUARIAL

Funded Ratio 54.0%

Date of Last Valuation 1/04

Actuary Stone

Assumed Rate of Return 8.00%

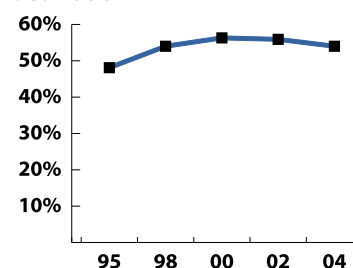
Funding Schedule Increasing 3.94%

Year Fully Funded 2028

Active Members 575

Retired Members 382

Funded Ratio



INVESTMENT

2004 Return 11.24%

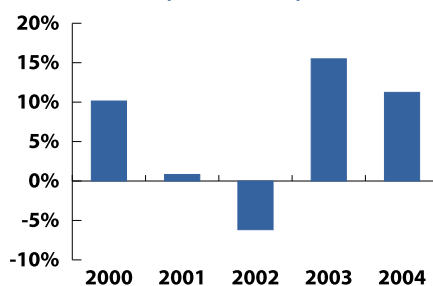
2004 Target Return 8.85%

2004 Market Value \$51.4M

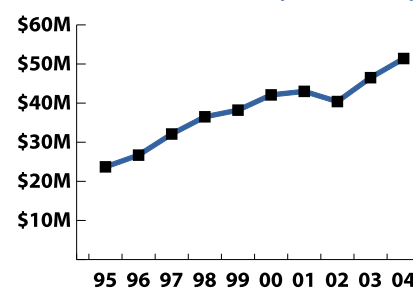
2000-2004 Return (Annualized) 6.01%

1985-2004 Return (Annualized) 9.34%

Investment Return (2000 - 2004)



Asset Growth - Market Value (1995 - 2004)



INVESTMENT VENDORS

Domestic Equity

- Chase Investment Counsel Corporation
- Systematic Financial Management

Fixed Income

- Longfellow Investment Management

Consultant

- Dahab Associates

Custodian

- Bank of America

WESTFIELD

P. O. Box 106, 59 Court Street, Westfield, MA 01086-0106

Phone 413-572-6239

Fax 413-572-6290

Board Meeting Third Thursday of each month at 3:00 pm

Board Members Kevin J. Regan (Chairperson), John E. Kane, William D. Leahy, Richard F. Russell, Deborah A. Strycharz

Board Administrator Lynn E. Rea

ACTUARIAL

Funded Ratio 68.3%

Date of Last Valuation 1/03

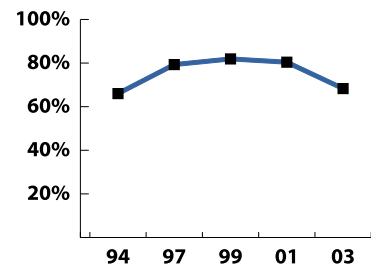
Actuary PERAC

Assumed Rate of Return 8.00%

Funding Schedule Increasing 4.5%
Year Fully Funded 2028

Active Members 915
Retired Members 531

Funded Ratio



INVESTMENT

2004 Return 11.61%

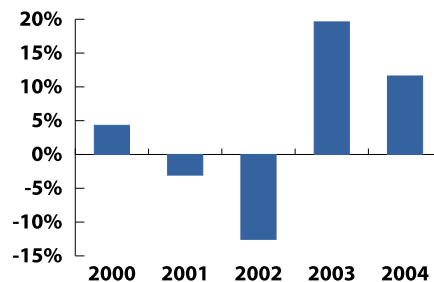
2004 Target Return 8.89%

2004 Market Value \$115.4M

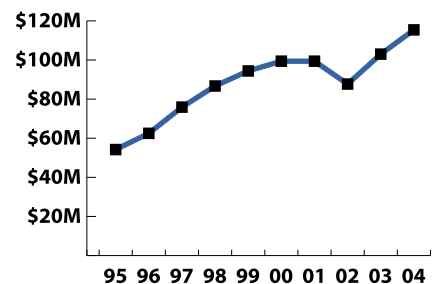
**2000-2004 Return
(Annualized)** 3.38%

**1985-2004 Return
(Annualized)** 9.96%

Investment Return (2000 - 2004)



Asset Growth - Market Value (1995 - 2004)



INVESTMENT VENDORS

Domestic Equity

- BlackRock Capital Management
- Freedom Capital Management Corporation
- Loomis Sayles Small Cap Value Fund
- Loomis Sayles Small Company Growth Fund

Fixed Income

- BlackRock Core Plus Fund
- Freedom Capital Management Corporation

Custodian

- Investors Bank & Trust

WEYMOUTH

807 Broad Street, Weymouth, MA 02189

Phone 781-331-8721

Fax 781-331-3005

Board Meeting Third Tuesday of each month

Board Members Barbara Costa (Chairperson), Joseph L. Davis, Greg Hargadon, Frank S. Lagrotteria, Edward Masterson

Board Administrator Marsha P. Silva

ACTUARIAL

Funded Ratio 51.6%

Date of Last Valuation 1/03

Actuary Stone

Assumed Rate of Return 8.00%

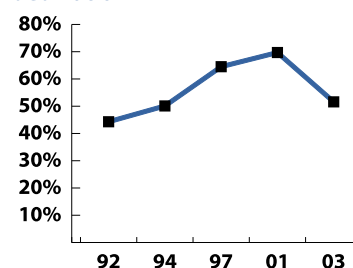
Funding Schedule Increasing 4.5%

Year Fully Funded 2028

Active Members 823

Retired Members 656

Funded Ratio



INVESTMENT

2004 Return 14.55%

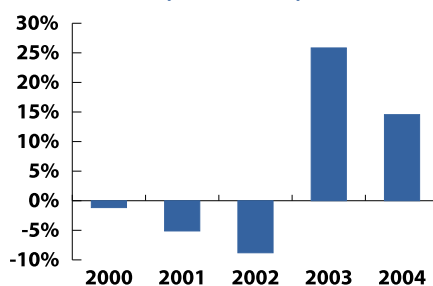
2004 Target Return 9.00%

2004 Market Value \$113.4M

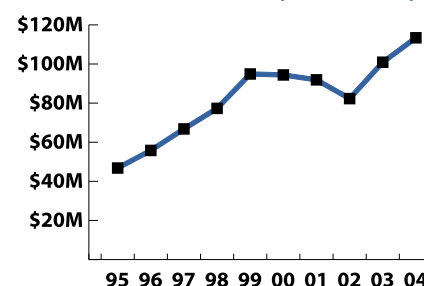
**2000-2004 Return
(Annualized)** 4.28%

**1985-2004 Return
(Annualized)** 11.82%

Investment Return (2000 - 2004)



Asset Growth - Market Value (1995 - 2004)



INVESTMENT VENDORS

Domestic Equity

- Boston Company Dynamic Equity Fund
- Independence Investments, LLC
- RhumbLine S&P 500 Pooled Index Fund

International Equity

- SSgA Daily International Alpha Securities Lending Fund

Fixed Income

- Fidelity Core Plus Commingled Pool

Real Estate

- Intercontinental Real Estate Investment Fund III, LLC

- PRIT

Alternative Investments

- INVESCO Venture Partnership Fund IV, L.P.

Consultant

- Segal Advisors

Custodian

- State Street

WINCHESTER

71 Mount Vernon Street, Winchester, MA 01890

Phone 781-721-7127

Fax 781-721-7156

Board Meeting Varies

Board Members Joseph W. Bonner (Chairperson), William P. Duran, Jr., James B. Gray, George F. Morrissey, Anthony W. Ryan

Board Administrator Joan L. Barrett

ACTUARIAL

Funded Ratio 78.9%

Date of Last Valuation 1/03

Actuary PERAC

Assumed Rate of Return 8.25%

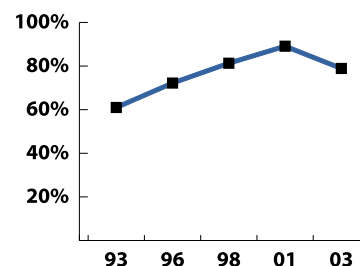
Funding Schedule Level

Year Fully Funded 2028

Active Members 342

Retired Members 319

Funded Ratio



INVESTMENT

2004 Return 12.55%

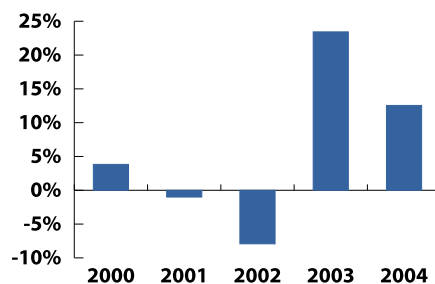
2004 Target Return 8.25%

2004 Market Value \$64.8M

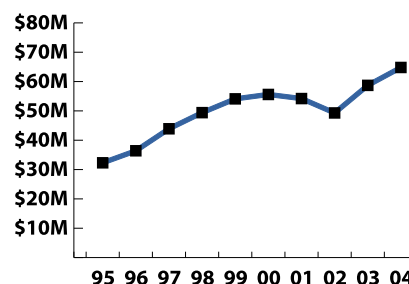
2000-2004 Return (Annualized) 5.63%

1985-2004 Return (Annualized) 10.78%

Investment Return (2000 - 2004)



Asset Growth - Market Value (1995 - 2004)



INVESTMENT VENDORS

Domestic Equity

- J.L. Kaplan Associates
- SSgA S&P 500 Flagship Fund

International Equity

- SSgA Active International Small Cap SL Common Trust Fund
- SSgA Daily Active Emerging Markets Fund
- SSgA Daily International Alpha Securities Lending Fund
- SSgA International Growth Opportunities Fund

Fixed Income

- PRIT
- Wellington Trust Co.-CIF II Core Bond Fund

Real Estate

- Guggenheim Real Estate Plus Fund
- SSgA Tuckerman, Multi-Family Development Program I
- TA Realty Associates Fund VI

Custodian

- State Street

WINTHROP

Town Hall, 1 Metcalf Square, Winthrop, MA 02152

Phone 617-539-5750

Fax 617-539-0820

Board Meeting Last Monday of the month at 5:30 pm

Board Members Michael Bertino (Chairperson), Eric Cocca, Michael McManus, Brian Perrin, Cindy Silva

Board Administrator Diane Nalen

ACTUARIAL

Funded Ratio 58.7%

Date of Last Valuation 1/03

Actuary PERAC

Assumed Rate of Return 8.25%

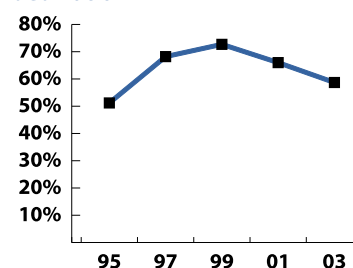
Funding Schedule Increasing 2.5%

Year Fully Funded 2019

Active Members 252

Retired Members 159

Funded Ratio



INVESTMENT

2004 Return 12.16%

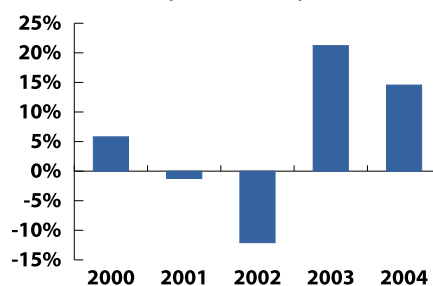
2004 Target Return 8.12%

2004 Market Value \$27.2M

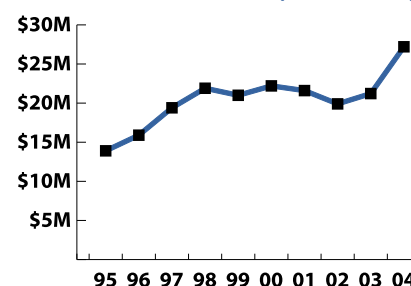
**2000-2004 Return
(Annualized)** 4.55%

**1985-2004 Return
(Annualized)** 9.86%

Investment Return (2000 - 2004)



Asset Growth - Market Value (1995 - 2004)



INVESTMENT VENDORS

Domestic Equity

- Boston Trust & Investment Management Company

International Equity

- Principal Global Investors International Equity Fund

Fixed Income

- Boston Trust & Investment Management Company
- PIMCO High Yield Fund

Consultant

- New England Pension Consultants

Custodian

- Investors Bank & Trust

WOBURN

City Hall, Second Floor, 10 Common Street, Woburn, MA 01801-4139

Phone 781-935-1463

Fax 781-937-8299

Board Meeting Varies

Board Members Gerald W. Surette (Chairperson), Denis P. Devine, A. John Flaherty, John P. Giangrande, Marilou E. Lundin

Board Administrator Maureen T. Marcucci

ACTUARIAL

Funded Ratio 85.6%

Date of Last Valuation 1/00

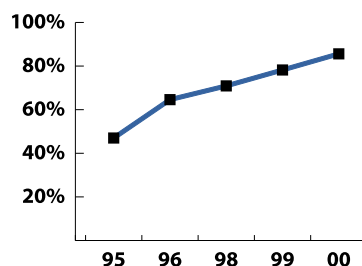
Actuary PricewaterhouseCoopers

Assumed Rate of Return 7.75%

Funding Schedule Level
Year Fully Funded 2011

Active Members 490
Retired Members 377

Funded Ratio



INVESTMENT

2004 Return 11.87%

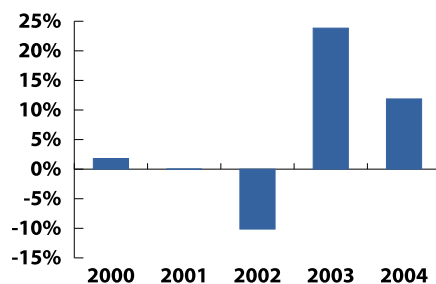
2004 Target Return 8.50%

2004 Market Value \$89.9M

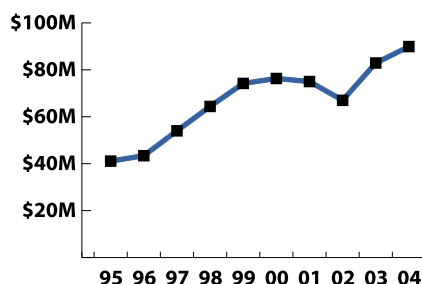
2000-2004 Return (Annualized) 4.85%

1985-2004 Return (Annualized) 10.85%

Investment Return (2000 - 2004)



Asset Growth - Market Value (1995 - 2004)



INVESTMENT VENDORS

Domestic Equity

- Earnest Partners, LLC
- Essex Investment Management Company, LLC
- RhumbLine Russell 1000 Pooled Index Fund
- Turner Investment Partners, Inc.

International Equity

- PRIT

Fixed Income

- American Beacon High Yield Bond Fund
- Earnest Partners, LLC
- SSgA Passive Bond Market Index Securities Lending Fund

International Fixed Income

- Wellington Trust Co. -CIF International Bond Unhedged Portfolio

Real Estate

- Intercontinental Real Estate Investment Fund II & III, LLC
- SSgA Tuckerman—Multi-Family Development Program III
- TA Realty Associates Fund V

Alternative Investments

- Charlesbank Equity Fund V
- INVESCO Non-U.S. Partnership Fund III, L.P.
- INVESCO U.S. Buyout & Expansion

Capital Partnership Fund III, L.P.

- INVESCO Venture Partnership Fund III, L.P.

Commission Recapture

- Bank of New York Brokerage, Inc.
- Lynch, Jones & Ryan
- Rochdale Securities Corp

Consultant

- Wainwright Investment Counsel, LLC

Custodian

- Investors Bank & Trust

WORCESTER

City Hall, Room 103, 455 Main Street, Worcester, MA 01608

Phone 508-799-1062

Fax 508-799-1047

Board Meeting

Third Thursday of each month

Board Members

James DelSignore (Chairperson), Elizabeth A. Early, Raymond F. McGrath, Thomas Wade, Stephen F. Wentzell

Board Administrator

Elizabeth A. Early

ACTUARIAL

Funded Ratio 77.6%

Date of Last Valuation 1/04

Actuary Segal

Assumed Rate of Return 8.50%

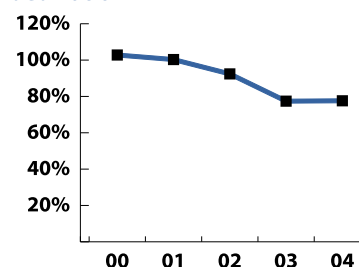
Funding Schedule Increasing 4.5%

Year Fully Funded 2025

Active Members 3,409

Retired Members 3,996

Funded Ratio



INVESTMENT

2004 Return 12.78%

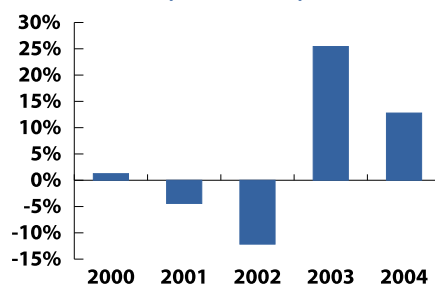
2004 Target Return 8.50%

2004 Market Value \$607.0M

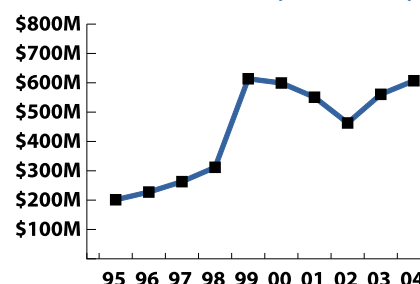
2000-2004 Return (Annualized) 3.76%

1985-2004 Return (Annualized) 10.39%

Investment Return (2000 - 2004)



Asset Growth - Market Value (1995 - 2004)



INVESTMENT VENDORS

Domestic Equity

- Boston Company Premier Value Equity Fund
- Columbia Management Group, Inc.
- INTECH
- Hutchens Investment Management, Inc.
- Loomis, Sayles & Company, L.P.
- SSgA S&P 500 Flagship Fund

International Equity

- Acadian International Small Cap Fund
- Boston Company International ACWI Equity Fund
- SSgA Passive MSCI-EAFE Fund

Fixed Income

- Loomis, Sayles & Company, L.P.
- Northern Trust Daily Aggregate Bond Index Fund
- Opus Investment Management, Inc.

Real Estate

- Bailard, Biehl & Kaiser REIT Fund
- Hancock Timberland VII

- Heitman Value Partners, L.P.
- Intercontinental Real Estate Investment Fund IV, LLC
- L&B Property Fund IV
- Lend Lease Value Enhancement Fund II, III, IV
- Metric Apartment Co-Investment Trust Fund (MAC Trust)
- RMK Balanced Timberland Fund B
- RMK Select Timberland Investment Fund I, LLC

Alternative Investments

- Ascent Venture Partners II, III, IV, L.P.
- Boston Capital Ventures III
- Boston Millennium Partners II, L.P.
- Charlesbank Equity Fund V
- Concord Partners III, L.P.
- Duke Street Capital Fund III
- European Strategic Partners I, L.P.
- INVESCO Non-U.S. Partnership Fund II, L.P.
- INVESCO U.S. Buyout Partnership Fund II, L.P.

- INVESCO Venture Partnership Fund II, L.P.
- New England Growth Fund I & II, L.P.
- Northstar Mezzanine Partners III
- Riverside Capital Appreciation Fund 2000 & 2003

Cash

- Merrill Lynch Asset Management

Consultant

- Meketa Investment Group

Custodian

- Investors Bank & Trust

WORCESTER REGIONAL

Court House, Room 3, 2 Main Street, Worcester, MA 01608-1184

Phone 508-798-7723

Fax 508-798-7738

Board Meeting Usually last Wednesday of each month

Board Members Michael J. Donoghue (Chairperson), Carol A. Baron, Robert R. Cleary, Roger R. Dubois, Joann M. Sharp

Board Administrator Pauline M. Lajoie

ACTUARIAL

Funded Ratio 63.5%

Date of Last Valuation 1/04

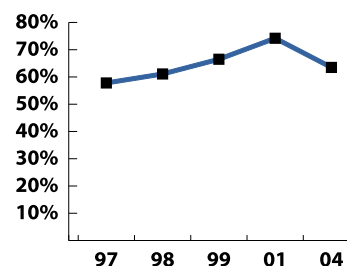
Actuary Mellon

Assumed Rate of Return 8.50%

Funding Schedule Increasing 4.5%
Year Fully Funded 2026

Active Members 5,990
Retired Members 2,885

Funded Ratio



INVESTMENT

2004 Return 9.63%

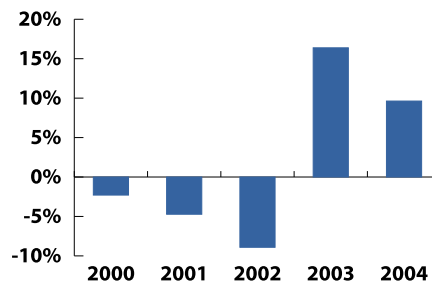
2004 Target Return 9.50%

2004 Market Value \$335.4M

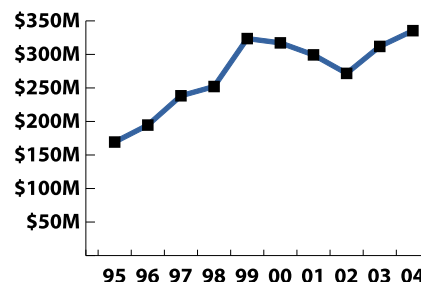
2000-2004 Return (Annualized) 1.59%

1985-2004 Return (Annualized) 9.79%

Investment Return (2000 - 2004)



Asset Growth - Market Value (1995 - 2004)



INVESTMENT VENDORS

Domestic Equity

- Atlanta Capital Management Company, LLC
- Babson Capital Management LLC
- BlackRock Capital MManagement
- Freedom Capital Management Corporation
- Vontobel Asset Management, Inc.

International Equity

- Boston Company International Equity Fund

Fixed Income

- Fidelity Core Plus Fund
- Loomis, Sayles & Company, L.P
- Opus Investment Management

Real Estate

- Intercontinental Real Estate Investment Fund III, LLC
- TA Realty Associates Fund III & IV

Alternative Investments

- Ascent Venture Partners II & IV, L.P.
- Zero Stage Capital V, VI, VII, L.P.

Consultant

- Segal Advisors

Custodian

- Investors Bank & Trust

PENSION RESERVES INVESTMENT MANAGEMENT BOARD

84 State Street, Suite 250, Boston, MA 02109

Phone 617-946-8401

Fax 617-946-8475

Board Meeting

Every other month, day and date varies

Board Members

Treasurer and Receiver General Timothy P. Cahill (Chairperson), Alexander E. Aikens, III, Robert Brousseau, Paul Cesan, Theresa McGoldrick, Esq., George F. McSherry, Peter Schwarzenbach, Gregory A. White, Ralph White

Board Administrator

Michael Travaglini

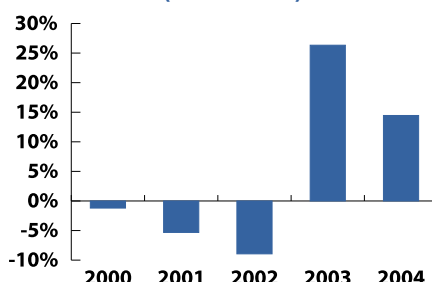
INVESTMENT

2004 Return 14.45%
2004 Target Return 8.12%
2004 Market Value \$36.0B

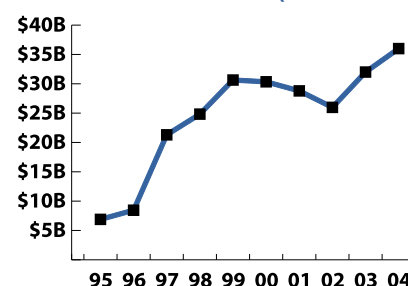
**2000-2004 Return
(Annualized)** 4.25%

**1985-2004 Return
(Annualized)** 11.19%

Investment Return (2000 - 2004)



Asset Growth - Market Value (1995 - 2004)



INVESTMENT VENDORS

Domestic, Emerging, and International Equity Managers

- Ariel Capital Management
- AXA Rosenberg Investment Management
- Baillie Gifford
- Boston Company
- Earnest Partners
- Emerging Markets Management
- Fidelity Management Trust Company
- Grantham, Mayo, Van Otterloo, & Co., LLC
- Lazard Asset Management
- Legg Mason Capital Management, Inc.
- Marathon Asset Management
- Mazama Capital Management
- Numeric Investors, LP
- Pareto Partners
- Putnam Investments
- State Street Global Advisors
- Wellington Management Company, LLP

Fixed Income Managers

- Angelo Gordon & Co., LP
- Ashmore Investment Management, Ltd.
- Barclays Global Advisors
- Blackrock Financial Management, Inc.
- Fidelity Management Trust Company
- Grantham, Mayo, Van Otterloo, & Co., LLC
- Loomis, Sayles & Company
- Oaktree Capital Management, LLC
- Pacific Investment Management Company
- Seix Investment Advisors
- Shenkman Capital Management
- Standish Mellon Asset Management

- TCW Investment Management
- W.R. Huff Asset Management Co., LLC

Core and Non-Core Real Estate Managers

- AEW Capital Management, LP
- Capital Associates Realty Partners
- Heitman Capital Management Corporation
- INVESCO Realty Advisors
- J.P. Morgan Investment Management
- L&B Real Estate Counsel
- LaSalle Investment Management
- RREEF America, LLC
- TA Associates Realty

REIT Managers

- INVESCO Realty Advisors
- LaSalle Investment Management
- RREEF America, LLC
- Urdang Advisors
- Wellington Management Company, LLP

Timber Managers

- Campbell Group LLC
- Forest Investment Associates

Venture Capital and Special Equity Partnerships

- Advent International
- Alchemy Partners
- Alta Communications
- APAX Partners & Co.
- Apollo Management Co.
- Austin Ventures

- Battery Ventures
- Belmont Capital Partners
- Berkshire Partners, LLC
- Blackstone Group
- Boston Ventures
- Brown Brothers Harriman & Co.
- Capital Resource Lenders
- Charlesbank Capital Partners
- Charles River Ventures
- CVC Capital
- Commonwealth Capital Ventures
- Crossroads Group
- Cypress Merchant Banking Partners
- DLJ Merchant Banking Partners
- El Dorado Ventures
- Equitable Capital Management Corp.
- Essex Woodlands Health Ventures
- Exponent
- First Reserve Corporation
- Flagship Ventures
- Forstmann, Little & Co.
- Freeman Spogli Equity Partners
- Genstar Capital Partners
- GTCR Golder, Rauner
- Harborvest Partners
- Hellman & Friedman Capital Partners
- H.I.G. Capital
- Highland Capital Partners
- InterWest Partners
- Joseph Littlejohn & Levy Fund
- Kelso & Company
- Kohlberg Kravis Roberts and Co.
- Landmark Equity Partners
- Lexington Partners
- Madison Dearborn Capital Partners

PENSION RESERVES INVESTMENT MANAGEMENT BOARD

INVESTMENT VENDORS (CONT.)

Venture Capital and Special Equity

Partnerships (Cont.)

- M/C Venture Partners
- Menlo Ventures
- Narragansett Capital Inc.
- Nautic Partners
- New Enterprise Associates
- Nordic Capital
- Olympus Growth Fund
- Onex Capital
- Permira
- Polaris Venture Partners
- Providence Equity Partners
- Quad-C Management, Inc.
- Richland Ventures
- Sovereign Capital Limited
- Spectrum Equity Partners
- Summit Ventures
- TA Associates/Advent
- Texas Pacific Group
- Thoma Cressey Fund
- Thomas H. Lee Equity Partners, LP
- Trident Capital
- VantagePoint Partners
- Venture Capital Fund of New England
- Vestar Capital Partners
- Welsh Carson Anderson & Stowe
- Weston Presidio Capital
- Whitney & Company
- William Blair Mezzanine Capital Fund, LP
- Willis Stein

Consultants

- Morris and Morse Company, Inc.
- New England Pension Consultants
- Pathway Capital Management
- Townsend Group
- Wilshire Associates, Inc.

Custodian

- Mellon Trust

DISABILITY RETIREMENT STATISTICS

(as of 12/31/04)

	Disability Panel Requests	Disability Retirement Approvals	Accidental Death Approvals	Disability Nurse CME Reviews	Physician CMERTS Reviews	
Retirement Boards with 40–399 Active Members						
• Adams	0	0	0	0	0	0
• Amesbury	1	0	0	4	0	0
• Athol	1	1	0	2	0	0
• Blue Hills Regional	0	0	0	0	0	0
• Clinton	1	1	0	1	0	0
• Dedham	1	0	0	5	0	0
• Easthampton	1	1	0	3	0	0
• Fairhaven	0	0	0	3	0	0
• Gardner	3	0	0	2	0	0
• Greater Lawrence	0	0	0	0	0	0
• Greenfield	0	0	0	2	0	0
• Hull	0	1	0	4	1	1
• MHFA	0	0	0	0	0	0
• Marblehead	2	2	0	4	2	2
• Maynard	0	0	0	1	0	0
• Milton	1	0	0	6	0	0
• Minuteman Regional	0	0	0	0	0	0
• Montague	3	0	0	1	0	0
• Newburyport	3	2	0	2	0	0
• North Adams	0	2	0	8	0	0
• Northbridge	0	0	0	1	1	1
• Reading	3	1	0	8	1	1
• Saugus	5	3	1	6	1	1
• Southbridge	0	0	0	2	1	1
• Stoneham	2	1	0	3	0	0
• Swampscott	2	3	0	7	0	0
• Webster	0	1	0	1	0	0
• Winchester	1	1	1	5	0	0
• Winthrop	1	1	0	4	0	0
Retirement Boards with 400–599 Active Members						
• Belmont	1	2	0	5	2	2
• Beverly	4	1	0	9	1	1
• Concord	1	2	1	2	1	1
• Danvers	0	0	0	2	1	1
• Everett	3	4	4	9	4	4

DISABILITY RETIREMENT STATISTICS

(as of 12/31/04)

	Disability Panel Requests	Disability Retirement Approvals	Accidental Death Approvals	Disability Nurse CME Reviews	Physician CMERTS Reviews	
Retirement Boards with 400–599 Active Members (cont.)						
• Gloucester	1	1	0	8	1	
• Hingham	0	2	1	2	0	
• Lexington	0	0	0	2	1	
• Melrose	2	2	0	7	1	
• Milford	7	3	0	5	1	
• Natick	0	0	1	6	0	
• North Attleboro	0	1	1	2	1	
• Norwood	3	2	0	8	1	
• Revere	11	8	4	13	0	
• Shrewsbury	1	1	1	2	0	
• Wakefield	1	0	0	5	0	
• Watertown	1	2	0	2	0	
• Wellesley	2	3	0	6	0	
• West Springfield	2	2	0	9	1	
• Woburn	3	1	0	7	0	
Retirement Boards with 600–899 Active Members						
• Andover	3	2	0	4	0	
• Arlington	1	3	2	10	0	
• Attleboro	2	1	0	1	0	
• Braintree	4	4	0	8	1	
• Chelsea	3	0	0	5	0	
• Dukes County	2	1	0	2	0	
• Falmouth	1	1	1	4	0	
• Fitchburg	1	0	0	8	1	
• Leominster	1	2	0	5	1	
• Malden	10	9	0	10	2	
• Marlborough	2	2	0	4	0	
• Medford	1	3	0	13	4	
• Methuen	3	2	0	3	0	
• Needham	1	0	0	1	0	
• Northampton	1	1	0	5	0	
• Peabody	2	3	1	8	0	
• Salem	5	5	1	9	1	
• Weymouth	3	4	1	7	0	

DISABILITY RETIREMENT STATISTICS

(as of 12/31/04)

	Disability Panel Requests	Disability Retirement Approvals	Accidental Death Approvals	Disability Nurse CME Reviews	Physician CME/RTS Reviews
Retirement Boards with 900–2,399 Active Members					
• Berkshire Regional	5	3	0	2	0
• Brockton	6	5	1	19	0
• Brookline	6	9	2	14	0
• Chicopee	4	4	3	11	0
• Fall River	15	12	0	39	1
• Framingham	7	4	1	12	1
• Franklin County	2	2	0	2	0
• Haverhill	7	2	1	9	0
• Holyoke	7	6	1	9	1
• Lawrence	5	2	1	10	1
• Lowell	8	10	4	12	0
• Lynn	8	8	0	8	0
• MWRA	1	2	0	6	0
• Massport	2	3	1	9	1
• Mass Turnpike	12	4	0	10	0
• Newton	9	4	0	18	2
• Pittsfield	6	6	0	12	0
• Plymouth	3	2	0	14	0
• Quincy	17	16	1	6	1
• Somerville	9	8	2	16	3
• Taunton	10	9	0	9	0
• Waltham	2	1	0	12	2
• Westfield	4	4	1	6	0
Retirement Boards with 2,400–20,500 Active Members					
• Barnstable County	23	21	1	43	3
• Bristol County	14	15	0	33	1
• Boston	119	81	21	138	8
• Cambridge	22	18	4	22	2
• Essex Regional	6	4	0	13	2
• Hampden County Regional	5	2	2	12	0
• Hampshire County	4	2	1	11	0
• Middlesex	20	23	7	46	3
• New Bedford	23	18	6	51	4
• Norfolk County	23	16	2	33	0
• Plymouth County	19	18	2	46	3

DISABILITY RETIREMENT STATISTICS

(as of 12/31/04)

	Disability Panel Requests	Accidental Retirement Approvals	Disability Death Approvals	Physician Nurse CME Reviews	CME/RTS Reviews
Retirement Boards with 2,400–20,500 Active Members (cont.)					
• Springfield	33	13	2	74	4
• Worcester	33	19	6	39	2
• Worcester Regional	12	7	0	25	2
Retirement Boards with 20,501-90,000 Active Members					
• State	220	174	9	430	43
• State Teachers	28	20	0	72	2
Total All Retirement Boards	879	678	103	1,656	125

Restoration to Service Statistics

(Provided for those boards where a disability retiree has returned to work.)

• Boston	1	• Chelsea	1
• Waltham	1	• State	1

PERAC STAFF

Administration

- Joseph E. Connarton
Executive Director
- Kevin P. Blanchette
Deputy Executive Director of Operations
- Joseph I. Martin
Deputy Executive Director of Policy & Development
- Michael J. DeVito
Director of Strategic Planning, Management & Public Affairs
- Caroline J. Garcia
Human Resources Manager
- Kim Raynowska
Senior Executive Assistant
- Virginia Barrows
Fiscal Officer
- Linda Boyle
Executive Assistant to Kevin P. Blanchette
- Katie DiChappari
Administrative Assistant
- Joan Arsenault
Administrative Secretary

Actuarial

- James Lamenzo
Actuary
- John Boorack
Senior Actuarial Analyst
- Scott Henderson
Actuarial Analyst
- Joseph Dowgielewicz
Actuarial Analyst

Audit

- Timothy McDaid
Chief Auditor
- Harry Chadwick
Western Chief Auditor
- Robert Madison
Senior Auditor
- Richard Ackerson
Auditor
- Mary Dundas
Auditor
- Martin Feeney
Auditor
- Carol Niemira
Auditor
- James Ryan
Auditor
- James Sweeney
Auditor
- James Tivnan
Auditor

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Communication & Education Director
- Jonathan Follett
Graphic Designer II/Editor
- Isabelle Nga Kim Tran
Webmaster
- Michael Litvack
Graphic Designer I/Web Assistant

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Manager of Medical Records
- Mary Jane Carritte
Clinical Case Manager
- Donna Petraglia
Nurse Case Manager
- Doreen Duane
Case Manager
- Diane Hopkins
Case Manager
- Cheryl Sandler
Case Manager
- Regina Manning
Administrative Assistant

Fraud

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Fraud Investigation Manager
- Sandra King
Investigative Auditor

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Director of Information Systems
- Anthony Tse
Senior Systems Engineer
- K-Lone Steele
Systems Engineer
- Irina Boukina
Senior Programmer/Analyst
- Mark Joseph
Programmer/Analyst

Investment

- Robert Dennis
Investment Director
- Victoria Marcorelle
Senior Investment Analyst
- Rose Cipriani
Administrative Assistant
- Veronica Colon
Fund Accountant
- Savy Hang
Fund Accountant

Legal

- Barbara Phillips
General Counsel
- Sandor Zapolin
Deputy General Counsel
- Judith Corrigan
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- Susan Childs
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